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Top Engineer

Richard E. Heartz of Montreal, president of Shawinigan Engineering Co. and a member of the management committee of the parent Shawinigan Water & Power Co., takes office in May as next president of the Engineering Institute of Canada, head of its 16,000 members in 47 branches.

THE NATION'S BUSINESS

Seven Weeks Gone Still They Talk

The House of Commons has now been in session for seven weeks. It has been sitting 5½ hours a day 4½ days a week. This would seem long enough to deal with a good deal of the nation's business. What has actually been achieved?

It would be a good question for a public opinion poll. And it would be good for members of Parliament to see the result.

In terms of action, during these seven weeks the House of Commons has done only two things. It has voted to approve German membership in NATO. It has approved an extension of supplementary unemployment insurance benefits. That is all.

For day after dreary day during an unusually protracted debate on the Speech from the Throne back-bench members droned through their private catalogue of dreary thoughts to a bored audience of a couple of dozen.

The House has spent several days on the Government's International Rivers Bill, establishing that the bill is supported by all parties except the handful of Social Crediters. But 14 of these Social Crediters, carrying party discipline to the point of obeying the orders of a provincial government, are all set to introduce one vexatious amendment after another with the sole purpose of renewing their own right to make 40-minute speeches. Fourteen times 40, repeated several times, means a lot of time.

It has spent three days in a debate on immigration policy, in which J. W. Pickersgill occupied two hours with a speech of doubtful impact. That debate was adequately summarized in a speech of less than 10 minutes by Walter Harris.

For once there is no justification for the usual opposition complaint that the important legislation is not ready. For the first time in a good many years it is ready and waiting to be dealt with. The opposition shows no disposition to get on with it.

If a trade association or a trade union or a church group of 260 people attempted to conduct its affairs as the House of Commons is doing, it wouldn't last a year. Its members would recognize its futility and quit. Members of Parliament, instead, complain that the public is indifferent to their debates. What do they expect?

* * *

This Eases Double Squeeze

There is no need to lose any sleep over the drop in the premium on the Canadian dollar. Our national vanity may suffer a little but not our pocketbooks.

For both the exporter and the importer it will be good news for it strengthens their competitive position. For those interested in the tourist trade, too, a headache has been eased. The enforcement of the discount on U. S. funds may have brought in some small financial return, but insisting on the extra pennies, often injured good will, which is so vital in this type of business.

On a very large proportion of our export trade, regardless of the ultimate destination, the price is set in U. S. dollars. This is the case with newsprint, with gold, many of the base metals and also with all wheat sold under the International Wheat Agreement.

For exporters of those commodities there was no advantage at all in a premium on the Canadian dollar. It simply meant that they received fewer Canadian dollars for the same amount of goods.

For the importer there was also a painful squeeze.

The higher the Canadian dollar, the more the exporter in West Germany, Britain or the United States received in his own money for the goods he sold to us and the better position he was in to cut the prices of those goods. A high premium on the Canadian dollar, indeed, often completely offset the moderate protective duty Canada applied on these imported goods.

Because of the very large two-way flow of goods, people and capital across the U. S.-Canada border it is in the best interests of both countries when our respective dollars are about equal.

* * *

How Long the Building Boom?

Each spring since the end of the war, Canadians have been wondering how long the amazing boom in real estate could last.

Almost any businessman can recall farms that he could have bought only a few years ago for $100 an acre. Now they are selling for ten times that for subdivision purposes.

But there are some warning signs.

One hint came recently from Gordon S. Shipp, Toronto builder and president, National House Builders' Association. He dropped plans to build apartment blocks in a western suburb of Toronto saying he believed the saturation point for that type of accommodation in that location was near.

Latest warning comes from James C. Downs, Jr., Housing and Redevelopment Co-ordinator for Chicago. This week in Toronto he said the apartment block in the suburb is becoming obsolete; that in the U. S. the proportion of apartments to individual housing in the suburbs has dropped sharply.

Both these observers were concerned with apartments being built in outlying districts. There is still sound argument for establishing new apartments in the downtown area of a city. That is the natural place for them. In such areas they utilize land that is not valuable enough for business but is too high-priced for private houses. Such building achieves two objectives. It puts tenants near transportation and jobs. It replaces slums.

In the suburbs, however, there is dubious advantage in apartment life. And there is little incentive for a tenant to pay $100 a month when he could, with a long-term mortgage and easy credit terms, buy his own home for perhaps $60 to $75.

As Downs warns, land booms don't taper off, they just end. Uneconomic use of suburban lands will only hasten that day.

Nova Scotia May Get First Atom Power Plant

N. S. Light & Power Co. Makes Firm Proposal To Atomic Energy Of Canada For Power From New Heat-Producing Reactor

OTTAWA (Staff)—Nova Scotia is in line for a major first in atomic energy. Serious consideration is being given to putting Canada's first experimental atomic power plant in the Atlantic province — probably in the Annapolis Valley.

Nova Scotia Light & Power Co. has made a proposal to Atomic Energy of Canada Ltd. for participation in the construction of the planned test plant designed to produce about 20,000 kilowatts of electric power. The federal authorities' plan for the experimental plant was this:

—Private engineering firms were invited to submit proposals for building the heat-producing atomic reactor (The Financial Post, Jan. 29). They were to have help and guidance from the Chalk River experts, and they were not to pay for the reactor though they were expected to contribute part of the cost.

Six or seven of these proposals are now being examined here, and an announcement is expected fairly soon about which will be accepted.

The other half of the deal is the construction of a generating station to operate on the power produced from this reactor. And Atomic Energy of Canada invited utilities to submit proposals for this. Ideally Ottawa would like to get one of them to build the generating half of the plant at its expense. But that is rather a tall order when only 20,000 kw. is to be produced and when operating costs are not known more accurately.

The only firm proposal from a utility that has been revealed is the one from Nova Scotia Light & Power Co. Just how much it is prepared to contribute to the cost is not yet known, though it is known that it has offered something. New Brunswick has not made a proposal. Ontario is believed to feel that 20,000 kw. is

(Continued on page 2, col. 3)

Chemical Orders Rising, Export Demand Climbs

By N. L. DACK

Flowing back strongly into world trade channels, chemicals are now outperforming all other product groups in the Canadian export picture.

The improvement, started in the last quarter of last year, boosted 1954 chemical exports by 17%, the best gain made by any product group in this country; exports as a whole were down 6%.

And the chemicals export improvement is steadily picking up steam as the weeks go on; it is becoming a major bullish factor in the whole forward chemical picture.

For many companies this extra business is making the difference between a fairly good and an "excellent" 1955 business year.

If the export tempo just maintains the increase chalked up so far, total foreign business should come close to topping $200 millions this year.

Although foreign business varies considerably from company to company, depending on products, practically every one of the major Canadian chemical firms is experiencing a stepped-up demand, being translated into definite buying orders. Basic chemicals, dynamite, polyethylene, fertilizers, acids, synthetic resins, polystyrene, calcium compounds and a dozen or so other groups are all participating in the improved export picture.

Entrance of Canadian Chemical Co., Edmonton, into the world export picture last year has helped boost shipments of cellulose products from slightly under $1 million in 1953 to $8.7 millions in 1954. This line in which cellulose acetate—used chiefly in textile business—is the chief product is continuing at a high level this year with heaviest shipments going to several South American countries and Mexico.

Drugs and chemicals exports at $75.7 millions in 1954 represented a full 21% jump from previous year. The 1955 shipments promise to surpass this record again this year.

Synthetic resins shipments tripled to $3.75 millions last year, heaviest supplies going to U. K.

Export markets for all the

((Continued on page 2, col. 4)

Ottawa Hat Trick Makes Monetary Experts Happy

OTTAWA (Staff) — The Government this week had the surprised look of a conjuror who has just produced two rabbits out of one hat. And behind the surprised look it had all the conjuror's sense of pride and achievement.

Financial authorities are, in fact, pleased with themselves at having produced the sharp decline in the value of the Canadian dollar. They attribute it directly to their policy of keeping interest rates low. And they are equally proud of the low interest rates, which—in spite of rather different trends in the U. S.—they consider appropriate to the present Canadian situation.

So, behind their air of innocent surprise lies much satisfaction at what is considered a double success for monetary policy.

Just as sprightly as the conjuror's rabbit, the Canadian dollar has been hopping and jumping down hill throughout February—except for a brief backward glance early this week. Premium on the Canadian dollar in relation to the U. S. dollar was just over 3c on Feb. 1. By the end of last week it had reached 1-19/32 cents, strengthened on Monday to 1-29/32, and by midweek was lower again at 1-23/32.

The double success, about which the authorities are enjoying their strictly private self-congratulation, is this:

—A low interest rate was considered highly desirable in itself at the present stage of the Canadian economy. It is the classic medicine for stimulating activity in an economy operating at less than full capacity. It has been maintained, in spite of rather different trends in the United States; and it has been carried through into the field of housing loans.

—A lower exchange rate was also considered desirable, particularly for Canadian export-

(Continued on page 3, col. 4)

Bruce Hutchison Writes About:

Two Men and Two Countries

Ottawa and Washington present today a vivid contrast between two political systems, both of them strained and distorted.

But if the systems are basically different (and the American system rather terrifying to a Canadian democrat at the moment) their immediate problems are, in essentials, the same. So, oddly enough, are their two leaders—both brilliant and reluctant amateurs of politics.

Each system is groping for a future successor to its indispensable man. Obviously neither Dwight Eisenhower nor Louis St. Laurent really wants another term of office. Since in both countries the political system is currently built around the power, personality and legend of an individual, we Canadians and our neighbors are approaching, soon or late, a decisive watershed in our affairs.

BRUCE HUTCHISON

Only if Eisenhower and St. Laurent will set aside their ardent personal wishes and run again can the politics of Canada and the United States avoid that watershed, within two years at most.

Canadian and American politics are distorted by almost identical causes.

In Canada the two-party system is in abeyance for old and familiar reasons. The nation has long been ruled, and well, by a vast and complex coalition of opposites called the Liberal Party, put together in the nineteen-twenties by the skilled craftsman's hands of Mackenzie King and inherited, in perfect working order, by St. Laurent. Its inner cement today is the person of King's prodigious heir.

What happens to that mysterious and many-sided structure when the cement of the St. Laurent legend, the adhesive quality of the Uncle Louie myth, is removed, as it must be not many years hence? That is the unuttered but paramount problem of the Liberal coalition, the

(Continued on page 3, col. 1)

PRICES

(SEE ALSO TREND OF BUSINESS, P. 17)

Commodities have firmed in recent weeks, governed to a great extent by U. S. buying and selling policies, some reduction in U. S. farm surpluses and international situation, particularly in Far East. No one predicts big uptrend but average levels eventually could better 1954, despite probable lower meat prices.

Acetone cut ½c lb. (around 5%). Reason: good supplies, hot price competition. Chief uses: Rayon, synthetic rubber.

Sour crude oil buying price cut 2c-24c bbl. in some smaller western fields by Imperial Oil. Reason: Higher cost of refining sour (substantial sulphur content) crude. The biggest reductions: 13c in Virden field; 14c at Fenn, Big Valley; 20c at Daly; 24c at Ellerslie.

Fur coats will cost more next fall because of recent 20% hike in raw fur prices, says a federal official. This backs previous reports of the trend (The Post, Dec. 11, Feb. 5).

Cheese will be under downward pressure when Ontario producer-wholesaler talks begin, possibly next month. Reason: Recent import of New Zealand cheese has weakened market. Current price: 30c lb. f.o.b. factory, of which 2c goes to cheese marketing board to finance exports.

Wheat firmed last week, eased off early this week, varying with the U. S.-Canadian exchange rate.

Retail coffee could ease another few cents lb. in near future.

Ottawa to Ask Other Plans On Gas Line?

OTTAWA (Staff) — If the Government decides not to give financial support to the trans-Canada gas pipeline, it may throw the field open for proposals from other groups.

Trans-Canada Pipe Lines Ltd.'s license has been extended until April 30. A further extension might not be granted if no financing had been arranged by that date.

More probably Trans-Canada Pipe Lines Ltd. might be given a further, but limited, extension with the clear understanding that other applicants or other means of financing would be considered after that date.

As yet, however, there is no sign at all that the Government is wavering in its determination to prohibit export until the trans-Canada line is assured.

The results of all the official studies are now available to Finance Minister Harris, and it was believed that he might be ready to make a recommendation to the Cabinet next week. No decision was expected before then.

The picture shaping up in the eyes of government authorities this week apparently included these elements:

—Without substantial govern-

(Continued on page 3, col. 4)

Surging Auto Production Promises Some Problems

By JACK McARTHUR

Canada's auto industry is surging toward production highs which already are bolstering basic and secondary steel, could speed the pulse of the whole economy.

Whether our automakers follow the U. S. lead and actually set production records is questionable. They may.

A strike that would have tossed a monkey-wrench into production plans was averted at midweek. A few hours before the Feb. 23 deadline, Chrysler settled with its 8,500 employees for a wage-benefit package reportedly worth 10½ cents hour.

A major strike, of course, would upset all predictions. Thus the forthcoming contract negotiations between the Auto Workers Union and General Motors hang a big question-mark over the future auto production scene.

But for the present, production is booming. Even though Ford isn't yet operating at top speed, the industry produced 8,151 motor vehicles last week. This suggests, barring strikes, the monthly production rate soon will exceed 40,000.

The outpouring of gleaming new mass-produced cars is bringing problems as well as promise of a business speedup.

With each problem is bracketed an argument over possible solutions. The faster autos are jockeyed off production lines, the warmer will become the arguments.

Discussion will focus on:

—Effects of auto production speedup on the economy. Will it provide the dynamic expansion element necessary to touch off a new business boom or will it cause unemployment and pessimism later in the year?

—The growth of auto supermarkets. "It's inevitable," says

(Continued on page 3, col. 5)

River For Rent In N. B. Wilds

From Our Own Correspondent

FREDERICTON—Want a choice four-mile stretch of the Restigouche River as your private salmon fishing grounds?

The N. B. Department of Lands and Mines is getting ready to offer angling rights on it in public auction, to be held in its offices here March 30 at 2.30 p.m. Annual price rental, at which bids will start, is $1,500.

Lease of the exclusive angling rights, with rod only, will be for seven years from April 1, 1955. The amount for which the angling lease is purchased becomes the annual rental.

The area is described as in wilderness but easily accessible. It is said to contain six proven salmon pools.

Far East Topic At Chamber Meet

Trade Minister Howe will be the speaker at the annual meeting of the Canadian Council of the International Chamber of Commerce in Toronto March 2.

Canada's relations with Asia and the Far East will be discussed by Gerald G. Ryan, chairman of the Council's committee on Foreign Investments and Economic Development, Edgar McInnis, president of the Canadian Institute of International Affairs, J. C. Britton, commercial counselor for Canada in Tokyo, and others.

Largest Dutch Insurance Firm Will Open Here Soon

By KENNETH WHITE

THE HAGUE (Staff) — The largest insurance organization in the Netherlands has just about completed its plans for a large-scale move into Canada.

It is planning its entry in a big way with every type of insurance (except reinsurance), offering it in every province. A start, probably this June, will be made with head office at Toronto and initial emphasis on life insurance and certain lines of general insurance.

Meanwhile details are not yet complete. Federal license has been obtained, provincial licenses are to follow. The Toronto address has not yet been named (they are still looking); representative agents and initial locations have not been decided; investment policy is still under study, with the help of Canadian investment counselors.

Key company of this insurance group is N.V. The Netherlands Insurance Co. est. 1845 Ltd. It controls some 14 subsidiary companies engaged across the broad range of life, general and marine insurance.

Canadian certificates of registry have been issued to: N.V. The Netherlands Insurance Co. est. 1845 (The Hague); The Netherlands Lloyd Ltd. (Amsterdam); Fire Insurance Co. "Holland of 1859"; N.V. Life Insurance Co. of The Netherlands est. 1845 (The Hague).

Why They're Coming

J. van der Velden, manager of Netherlands 1845, had a simple reason for the Canadian expansion: "Canada is one of the few countries which has possibilities of growing and we think that a new enterprise has a good chance of growing with it."

"And I'm inclined to place Canada ahead of all countries of the world in its potentialities. Its economic growth potential is unlimited," he said.

Officials of the spanking, comparatively new head office building in The Hague are anxious to get the Canadian venture operative. Mr. van der Velden expects to go to Canada this May to complete arrangements.

"The general business climate and the atmosphere make our people feel at home there," he said. "Dutchmen are 'not alarmed' at Canada and Canadians."

That helps things in more than one respect. With full employment in Holland there is a shortage of the right men for branch movements outside the country.

Lines of business being planned in Canada for the time being are personal accident and life (exclusively with Netherlands est. 1845) and fire and additional perils, business interruption, auto, inland transportation, marine, personal property and theft.

Manager for Canada is Dr. A. F. M. Pronk, formerly head of the foreign department of the firm's life insurance company.

Life manager for Canada will be C. J. v.d. Hagen, now new

(Continued on page 2, col. 3)

Why Canada Needs More Winter Work

Seasonal Increase In Jobless Was Same As Last Year But We Started With More Unemployed In Fall — Output Continues High

By MICHAEL BARKWAY

OTTAWA (Staff)—The January unemployment figures, disappointing as they are, emphasize some facts which are far more important than cries of calamity.

They show that, for all the talk and effort, we have not yet made any appreciable dint on the perennial seasonal increase. The increase in jobless from December to January is exactly in proportion to what it was last year. It's no worse and no better.

Over the season as a whole—from September to January, the increase is actually a little less proportionately than last year. But we started the fall and winter with more unemployed than a year ago, and the usual seasonal increase piled on a bigger base has produced a January total higher than before.

The economic pickup, which started about October was illusory. It really happened. Only it was not reflected in more jobs.

Both the measurements of unemployment—the Labor Force Survey and the National Employmnet Service report—show a considerably larger number of Canadians unemployed in the week ending Jan. 22 than there were the year before.

The Labor Force Survey's estimate of 362,000 people without jobs and seeking work compares with the peak of 318,000 reached in March of last year.

The National Employment Service's count of unplaced applicants—at 569,582—matches its March 1954 peak of 570,000.

Already by Feb. 3 the N.E.S. unplaced applicants had topped 600,000. They numbered 601,000 on that date.

In percentage terms, the people without jobs and seeking work represented 6.8% of the labor force this January. Last January it was only 5.3%.

Between January 1954 and January 1955 the number of Canadians who considered themselves to be in the labor force is estimated to have increased by 72,000 (adjusted).

But the number of them who had jobs was slightly down. The number who wanted jobs but couldn't get them increased by 82,000.

It is still true, then, as it was through 1954 that Canada's population of working age kept on increasing but the number of jobs didn't.

December Misleading

The January unemployment total always shows the big jump of the year. But the more modest increase shown in December's survey had led to hopes (The Financial Post, Jan. 30) that the jump would be smaller this year than it was last year. Now it looks as though it were the December figure which was out of line with the over-all trend. The survey was made early in the month (week ending Dec. 11), and it now seems as though it must have caught a good many people who were still working, but nearing the end of their fall jobs.

The January survey, again, may for a variety of reasons make the worst of the actual situation. The week ending Jan. 22 was a week of severe weather. It so happened that the January 1954 survey was made in a week of soft weather. The Ford strike was still going on during this year's survey, and it was having its maximum effect on other Ontario plants.

The N.E.S. figure of unplaced applicants could, again, be a little inflated because of the new registrants for supplementary benefits. But, curiously, the Labor Force Survey shows more people looking for jobs than it did last March when the unplaced applicants were about the same.

Fall and Winter Trend

Rather than concentrating only on the year-to-year and month-to-month comparisons, a clearer picture—and possibly a truer one—emerges from looking at the trend through this fall and early winter.

In September 1954 there were 167,000 people looking for jobs. That was 83,000 more than September 1953. It is still, roughly, those extra 83,000 that push the January figure above last year's.

Between September and January this year, 138,000 people dropped out of the labor force. (There is

(Continued on page 3, col. 3)

Inside News

PHYSICAL HANDICAPS don't always mean idleness. A special report on what's being done for the disabled . . p. 19.

EQUAL PAY for equal work? There is a strong, silent voice against it .... p. 7.

THE MYSTERY of Churchill's controversial portrait. Will it ever be seen again? . . p. 36.

A TREND can mean profits if you see it, study it and act .... p. 13.

THANKS for past favors, but we're still suffering, say tobacco growers. Your cigarette taxes .... p. 24.

FARM UNITY movement hits some rough spots in the West .... p. 22.

HOW TO HIRE new graduates. A lesson from a university .... p. 20.

WILL YOU PAY more or less under freight rate equalization? The new rates, what they mean .... p. 26.

UNEMPLOYMENT: Cold statistics or human woe? The Post takes a close look . . . p. 28.

TOLL HIGHWAYS ahead? A broadside for the cons as the battle heats up .... p. 14.

HOW U. K. TEXTILE firm wooed and won a big slice of the Canadian market . p. 20.

Stock Market Highlights

Industrials

Canadian Vickers jumped to $44, up $10 since Feb. 1 and $5 in a week.

Federal Grain common shot up $10 a share to $39, settled back to around $37.

Insurance Stocks continued spurt upward. Canada Life moved up $47½ a share in week, to reach $200. Equitable Life touched $38, up $6, and Imperial Life $82, up $10.

Mines

Algom Uranium reacts slightly after touching high of $20.50 following widespread publicity in U. S.

Consolidated Denison touches record high of $4.00 as two more drill holes approach argillites and further interest expressed in doing Algom-type deal when ore more fully outlined.

Lorado Uranium firms to sell as high as $3.90. South drive reported approaching objective.

Black Bay Uranium sells above $2 on over-counter market as favorable ore developments continue to be reported from Beaverlodge property. Trading on Toronto Stock Exchange expected shortly.

Jonsmith firms on heavy volume as further drills on New Dominion property show ore grade and new theory on ore deposition to be tested on original property.

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Birkdale range . . .

Distinguished imported woollens such as "Sovereign" gabardines, Harris and Lambspun tweeds, Crombie's "Sealskin" velours and fine Saxonies . . . skilfully tailored for smartness and comfort in this season's top styles including the single-breasted slipons and balmacaan raglans . . . all at moderate EATON prices for such high calibre!

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MAY WE SHOW YOU OUR COMPLETE RANGE OF HARTT STYLES

American Credit Insurance

AND

The Case of the Valued Customer

THIS is a case to illustrate the need for American Credit Insurance, even where prior experience seems to indicate no unusual risk. Whether your own business is larger or smaller than the one cited here, the same principle applies.

The policyholder, a manufacturer doing a gross business in excess of 55 million dollars, was covered to a total of some 700 thousand dollars on a general coverage policy. A very old and valued customer, well rated and generally well regarded, desired a higher limit of credit than that provided by the policy on the basis of credit rating alone. Should the policyholder go along with the customer? Little if any risk seemed to threaten. Still . . . .

The policyholder's Credit Manager decided to refer the matter to his American Credit representative. As a result, a rider was issued, increasing the coverage to 150 thousand, and raising the total policy amount to 750 thousand dollars. Somewhat later, against all indications, the account had to be filed as a past due item of more than 196 thousand dollars. Despite all appearances, the old and valued customer was actually in trouble, with the policyholder the largest of a whole group of creditors.

As a free service under the policy, American Credit represented the policyholder in a series of meetings with the debtor and his other creditors, and managed to collect $70,600. This amount was prorated between the total claim and the actual coverage, and the policyholder also received a loss payment of $86,400.00, with no service charge for the item collected. Thus, through the considered action of its Credit Executive, the policyholder's loss, by reason of this $157,000 total recovery, was reduced to a nominal figure, and there was no disastrous reduction of his working capital.

Whether you are selling old and valued customers, or constantly expanding into new markets, you will find new assurance in all your dealings when you know that your accounts receivable are as well protected by insurance as your equipment, your goods in process and your inventory. For your copy of a new booklet: "*Credit Insurance, Its History and Functions,*" write to one of the Canadian offices listed below:

CANADIAN DIVISION

American Credit Indemnity Company of New York

Toronto, Montreal, Sherbrooke and Vancouver

N. S. May Get First A Plant

(Continued from page 1)

not enough to have much interest for the Hydro Commission, though it will become very interested at the next stage when the atomic plant may jump to 100,000 kw. or more.

At mid-week, Atomic Energy of Canada, and its master the Government, had reached no definite decision on Nova Scotia's bid. But there was no sign of any hot competition.

Politically, one difficulty which was being weighed was the reaction of the coal industry. A first bold thought by the provincial power authorities was to put the atomic plant in the very heart of the coal-mining country, near Glace Bay, and to herald it as a tremendous development which would bring all kinds of prosperity through the ultimate development of cheap and plentiful power.

The alternative scheme, which seems more likely to prevail, is to put the plant—if Nova Scotia gets it—in a fairly isolated region of the Annapolis Valley. The Nictaux hydro development came into operation in this area very recently. But it is considered undesirable to put the experimental atomic plant in an urban area. The power to be produced from the atomic plant would in any case be fed into the company's system and not limited to any local area.

W. J. Bennett, president of Atomic Energy of Canada Ltd., had long conferences early this week with C. D. Howe, the minister responsible for atomic energy. Then he took off for Washington to discuss Canada's formal "agreement for co-operation" with the U. S. Atomic Energy Commission (The Financial Post, Sept. 25, 1954). A decision on Nova Scotia's proposal is possible any time.

Export Demand Climbing Chemical Order Books Full

(Continued from page 1)

available synthetic rubber capacity of Polymer Corp. has opened up in Europe, U. K. and Commonwealth countries.

More Dollars Available

Improving exchange positions are making dollars easier to come by for overseas importers. Import quotas are being continually relaxed to permit both a wider range of imported goods as well as larger quantities in individual categories.

In addition, business tempo, production has quickened in the full-fledged business boom in Commonwealth and Western European countries and many South American countries.

Chemical officials are looking on the orders to date—although still relatively small compared with total production—as a real promise of what could come if exchange problems were finally straightened away in overseas countries.

A Post survey of all the big chemical producers reveals combined domestic and export orders running some 10%-20% ahead of the same period last year. The improved orders trend which started last fall, after a slow summer, is still continuing. Although competition is just as keen as ever throughout the industry officials are forecasting another record year.

Current high tempo in some of the big chemical-consuming industries—either for basic chemicals or products composed chiefly of chemicals—promises a continued high demand for some months ahead. Record high operating level in the auto industry, improved operations on the steelmaking and agricultural implement front, some pickup in hard-pressed textiles and a generally low inventory position among industry users, are all contributing to the better orders position at the moment.

Orders for the paint industry have been holding up particularly well at a time when general industry slow-downs cut orders. This in turn has meant better-than-usual demand for solvents, pentaerythritol, pigments.

Almost as important, the heavy downward pressure on prices evident most of last year is just about over now with a firming tendency beginning to show both here and in U.S. The price squeeze has been particularly hard on such products as ethylene glycol, formaldehyde, acetone, pentaerythritol, alcohols, etc.

One darker shadow on the picture is a poorer outlook for chemical fertilizer sales this year on the Prairies. Poor crop conditions last year and reduced revenue to the farmer is expected to bring about some curtailment in fertilizers purchased this year. However, with over half of all fertilizer materials exported and outlook still good in the East and in B. C., over-all sales should not be off much, if at all.

The relative growth in volume and value of chemical exports is well ahead of general averages. Here's how the growth compares:

(DBS Index of Physical Volume, Prices and Declared Values)
(1948=100)

	1952	1953	1954
Chemicals and Fertilizers Exports:			
Physical volume	130.8	147.5	173.3
Prices	119.3	117.1	115.6
Declared values	156.0	172.7	200.2
Total of all Exports:			
Physical volume	114.9	113.2	109.2
Prices	121.8	118.3	115.5
Declared values	139.9	133.9	126.1

Announcing

A. Schrader's Son, Division Scovill Manufacturing Co. (Toronto)—Jesse A. Giles, manager Toronto plant; Donald H. Storey, assistant manager.

Belding-Corticelli Ltd. (Montreal)—L. B. Ramsey, vice-president, production; H. H. Bland, vice-president, sales; D. F. Pollock, secretary-treasurer; R. H. Alston, comptroller.

Blue Rock Cerium Mines Ltd. (Toronto)—Col. W. H. Price, director and secretary-treasurer.

Canadian Bank of Commerce (Toronto)—P. E. Larson, administrative officer; C. S. Smith, superintendent, head office.

Canadian National Telegraphs (Montreal)—R. B. Steele, general superintendent, eastern region; H. J. Clarke, general superintendent, western region, headquarters Winnipeg.

Canadian Westinghouse Co. (Hamilton) — W. J. McNicol, manager sales, power products division; C. R. Vrooman, assistant manager, industrial products division, engineering department.

Chartered Trust Co. (Toronto)—J. R. Bradfield, director; H. G. Soward and K. Burn, assistant general managers, Mr. Burn continues as estates department manager.

Chrysler Corp. of Canada (Windsor)—Sidney G. Suffield, superintendent planning, truck plant.

Crawley Films Ltd. (Ottawa) — Quentin Brown to head new television division, in Toronto.

Crown Life Insurance Co. (Toronto)—Duncan K. MacTavish, Ottawa, director; R. C. Dowsett, assistant actuary.

Diversey Corp. (Canada) Ltd. (Port Credit, Ont.)—R. R. Carson, vice-president; J. O. Anderson secretary and director; G. C. Norrie, treasurer.

Dow Chemical of Canada Ltd. (Toronto) — Thomas J. Scanlan to take charge of sales promotion activities.

Edward Milner Co. (Toronto) — Cliff Dowson, sales manager.

Foundation of Canada Engineering Corp. (Toronto) — Lloyd Montgomery Pidgeon, director.

Great-West Life Assurance Co. (Winnipeg) — Russell King, assistant manager, Montreal mortgage investment office.

Habitant Food Products Ltd. (Montreal) — Guy Limoges, vice-president, all purchasing; Paul F. Limoges, vice-president, production; Kenneth J. Forbes, vice-president sales and advertising.

Inland Cement Co. (Edmonton)—F. C. Manning, Calgary, director.

Kroehler Mfg. Co. (Stratford) — J. H. Wyatt, vice-president and general manager.

Life Underwriters Association of Canada (Toronto) — Leslie W. Dunstall, executive vice-president.

Little Long Lac Gold Mines (Toronto) — G. M. Ackerley, executive assistant to the general manager.

Metropolitan Life Insurance Co. (Ottawa) — Frederick G. Miller, manager, Vancouver district; J. Stanley Brown, assistant superintendent of agencies; Colin S. Dow, manager, field training division at Ottawa.

Montreal Trust Co. (Montreal) — J. C. V. Gravel, manager, Quebec City office.

National Carbon Co. (Toronto) — J. S. Dewar, manager new development organization; H. M. Brown, in charge of product and process development "Eveready" batteries, "Prestone" antifreeze; and "National" carbon and graphite products; C. W. Galbraith, responsible for development of new industrial and automotive products; R. G. Leckey, for new consumer products.

Norton Co. of Canada (Hamilton)—Gordon C. McIntyre, treasurer; E. Y. Teachman, director.

Personal Finance Co. of Canada (Toronto) — Peter Hynbida, manager new Toronto-Uptown branch.

Provident Assurance Co. (Montreal) — R. R. McLean, manager, Ontario branch office.

Provincial Bank of Canada (Montreal)—Leo Lavoie, assistant to the president; Rolland Leclerc, manager main office, Montreal.

Robertson-Irwin Ltd. (Hamilton)—H. E. Seely, manager contract sales.

Royal Trust Co. (Montreal)—Ross Clarkson, chairman; R. P. Jellett, honorary president; J. Pembroke, president; Gordon R. Ball, vice-president; J. M. Wells, general manager.

Scarr, Tinkham & Co. (Toronto) succeeding R. M. Harcourt & Co.—C. J. Tinkham, partner.

Shell Oil Co. of Canada (Toronto)—J. A. Ross, resumes position as controller.

Sonograph Ltd. (Toronto) — F. R. Verner, general sales manager.

Sykes Tool Corp. (Toronto) — G. P. Jones, manager Montreal branch and superintendent servicing; S. A. Janusz, planning engineer, at Montreal branch; G. A. Parker, senior sales representative, Quebec and Maritimes; A. E. Turnbull, sales representative, Toronto and Eastern Ontario.

Toronto Convention and Tourist Association Inc. (Toronto)—Clarke Todd, general manager; T. H. R. McNally, consultant to the president.

Toronto - Dominion Bank (Toronto) — William Kerr, vice-president, continues as general manager.

Union Carbide Canada Ltd. (Toronto) — Gordon W. Patterson, manager public relations.

Windsor Wafers Ltd. (Hamilton)—J. R. MacLean, sales manager; F. L. Ullman, vice-president and general manager; A. L. Hoffman, secretary-treasurer.

Largest Dutch Insurance Firm Will Open Here Soon

(Continued from page 1)

business and agency manager for South Africa of the life company.

Fire-accident and marine manager for Canada has been named as K. M. G K. G. Koch, of the company's foreign department.

Here's a rundown on the make-up of the companies in the Netherlands 1845 to have branches in Canada:

Netherlands est. 1845: Offers all classes of business; offices in all parts of the world. Consolidated balance sheet will show technical and premium reserves of over fls. 500 millions ($125 millions).

Paid-up share capital and surplus total about fls. 60 millions; yearly premium income fls. 135 millions, of which the life office takes more than fls. 60 millions. The life department has insurance in force of over fls. 2,000 millions ($500 millions).

Netherlands Lloyd: All classes of general insurance. Offices in Holland, Indonesia, Singapore, Brussels, Paris and Tel Aviv. Technical reserves. fls. 15.5 millions; paid-up share capital and surplus: about fls. 9.4 millions; yearly premium income: over fls. 29 millions.

Holland of 1859: All classes of general insurance, operates in Holland and, through affiliates, in Belgium, France and South Africa. Technical reserves: fls. 4.3 millions; paid-up share capital and surplus. fls. 3.6 millions; yearly premium income: nearly fls. 14 millions.

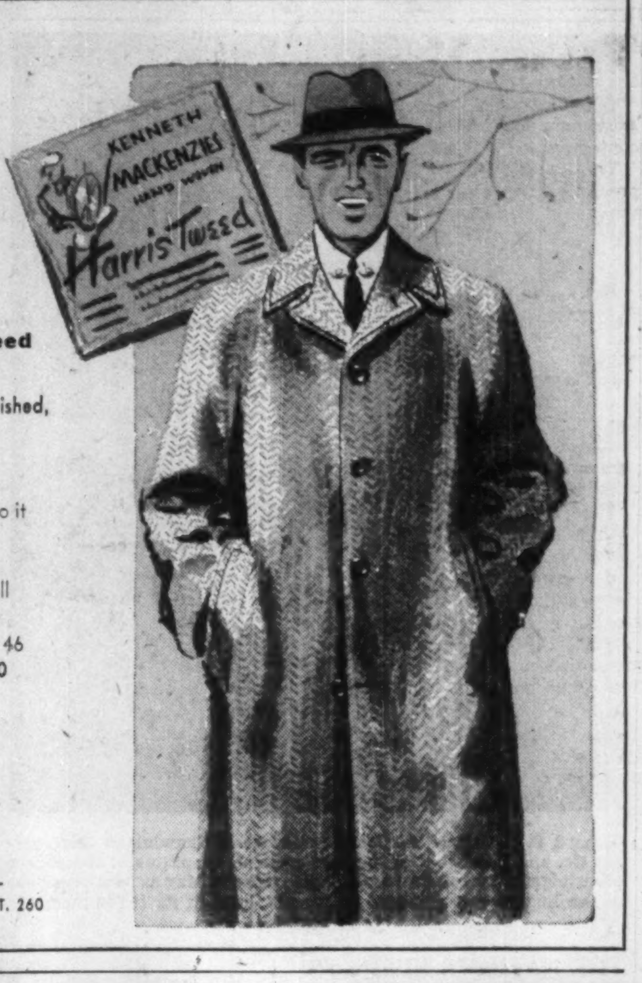
Netherlands 1845 is taking out a little insurance itself in branching out to Canada (it also started up in Australia less than a year ago) While business in the Far East, particularly Indonesia, has held so far, the future in this area is politically obscured.

WE FEATURE

The HARTT Shoe FOR MEN

Traditionally The Finest

J. Jupp & Son
527 DANFORTH AVE., TORONTO



The New Harris Tweed Topcoats Are Here

New patterns to a distinguished, hand-woven tweed.

Only the Scots know how to weave Harris Tweed. They do it all by hand. Simpson's has it tailored into English-style topcoats, raglan style. Small patterns come in grey, tan or heather mixtures. Sizes 36 to 46 to fit most builds. Each, 59.50

Simpson's

THE STORE FOR MEN — SECOND FLOOR — DEPT. 260

Auto Production

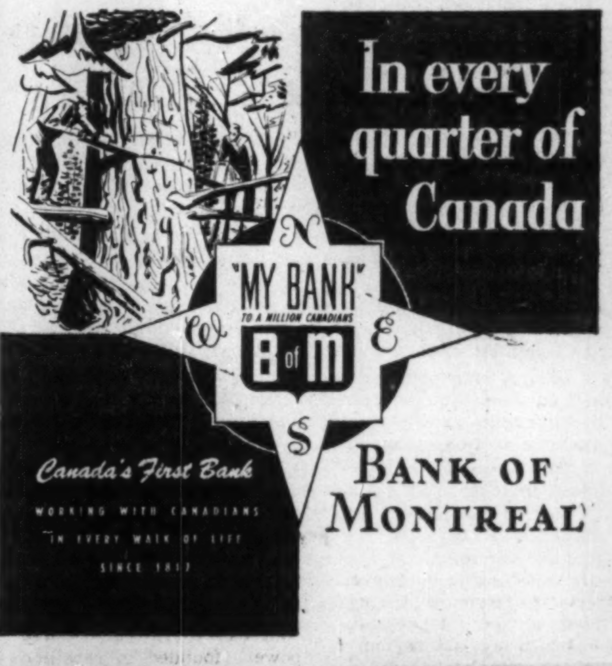
CARS	Week Ended Feb. 19	1955 To Date
Chrysler	2,144	14,558
Ford	1,014	2,038
General Motors	4,000	27,056
Hudson	33	213
Nash	37	203
Studebaker-Packard	210	1,559
Totals	7,438	45,627
Previous Week	7,374	.....
TRUCKS		
Chrysler	*	551
Ford	442	1,112
General Motors	165	2,801
International	106	799
Totals	713	5,263
Previous Week	1,175	.....

*Plant and product retooling.

Mando Earns $4.72 Per Share in '54

Minnesota & Ontario Paper Co. net sales increased in 1954 to $70,094,366 ($67,331,489 in 1953), company states in preliminary report.

Consolidated net profit after taxes rose to $6,067,570 ($5,687,-358), equal to $4.72 ($4.42) per share, President J. B. Faegre reports.



In every quarter of Canada

BANK OF MONTREAL

In these days of competitive selling you and your dealers can get more and more effect by pooling your advertising. You think on a national scale . . . he thinks on a local one. The daily newspaper is, itself local. It can inspire immediate action and it can promptly direct buyers to the dealers who carry good stocks of your product.

THE DAILY NEWSPAPER—WHERE YOU AND YOUR DEALER CAN REALLY ADVERTISE TOGETHER

Today the great trend is to sharpen and refine the effectiveness of every advertising dollar by telling the customer where to buy your product. By the use of hookers or tie-ins, you and your dealers can advertise together.

How does it work? Here's what one Ottawa Furniture Store says:

"As one of Ottawa's leading furniture and appliance stores, we insist on the use of our hooker to all national advertisements for those products we sell. Direct sales results have proven to us the value of these hookers."

R. W. Shirlow, Manager
C. W. Lindsay & Co. Ltd.

Daily newspapers bring national advertising to the local level — the action level!

CANADIAN DAILY NEWSPAPER PUBLISHERS ASSOCIATION
55 University Avenue, Toronto 1, Ontario
I. H. Macdonald, General Manager

Bruce Hutchison Writes About:

Two Men and Two Countries

(Continued from page 1)

great imponderable of our contemporary politics.

The Republican Party faces precisely the same problem, though it may be postponed a little longer. Like St. Laurent, Eisenhower bestrides the political system as an unwilling colossus, above party, above all other personalities, even above practical issues.

And Eisenhower's only remaining personal ambition is to settle down on his Gettysburg farm while he has the chance of a few years' repose after an exhausting life.

Detour Ahead

Barring accidents or follies, the Liberal coalition may survive the loss of St. Laurent without lethal damage, may make the transition from him to Pearson or Harris with nothing worse than a reduced majority, if it cannot persuade St. Laurent to face another election in 1957.

The Republican Party can nourish no such hope. It must have Eisenhower's leadership and magic in 1956 or almost certainly go back into opposition again. For it was Eisenhower not his party whom the people elected in 1952. It was Eisenhower who alone prevented a Republican debacle in last autumn's congressional election. It is Eisenhower alone who has any reliable chance of preventing a Democratic victory, both in Presidency and Congress, less than two years from now.

The Canadian system is thus distorted (however well the country may be governed) by the success of one man, St. Laurent, and the tragic failure of a fractured opposition; the American by the accident of a fine but puzzled newcomer who, you might say, has succeeded in spite of himself.

The Canadian - American parallel goes still farther — Eisenhower and St. Laurent are able leaders of men but neither is a professional politician, neither loves the game and both understand it, rather vaguely, by instinct only.

St. Laurent's face and mind — cheerful, steady, acute, highly practical and unimaginative — change little with the years. But a Canadian reporter observing the President up close cannot fail to note the sudden transformation in his fortunes and in the man himself.

The toll of the last ferocious year is legible in his face, in the deeper lines about the eyes, the harder set of the mouth, the leaner cheeks, the colder look of the candid blue eyes, the new grimness behind the boyish smile — a soldier hag-ridden and haunted by the nuclear weapons in his sole keeping, a lonely traveler who has looked into the pit.

Partly by good management, partly by good luck, this man has survived a crisis which nearly ruined him, after a brief morning glory.

From Bottom to Top

A year ago he seemed inevitably bound for political failure and historic tragedy.

His foreign policy had become little more than the impossible slogans of the 1952 campaign, and certain alarming obiter dicta pronounced absent-mindedly by Mr. Dulles, punctuated from time to time by the shrill caveats of Senator Knowland and the Old Guard.

In domestic politics, not communism - in - government but the Presidency itself, as an institution, was under successful siege and naked challenge by Senator McCarthy. The baffled President was unwilling or unable to meet the challenger.

If this had gone on for a few months more Eisenhower, as a historic figure, as the dominating force in politics, as the protector of the American Constitution, would have been destroyed. He was not destroyed, he was carried to a new peak of power by two events.

When, after much vacillation, he intuitively guessed the feelings of his people better than the professionals and decided against war in Indo-China he grasped foreign policy in his own hands and has held it ever since.

When Senator McCarthy conveniently committed political suicide—with precious little help from the White House—the executive and the Constitution were no longer challenged.

When, in the Formosa crisis, the Congress, reluctantly but almost unanimously, gave the President the right to make war or peace single-handed, he was lifted to an apex of power unknown since Lincoln's time.

If the sudden recovery of the President is one of the most remarkable success stories in modern American history, it is somewhat terrifying to anyone living under the Canadian system.

Here St. Laurent dominates Government, Parliament and electorate but he is not all-powerful and can never be. He may declare war on Duplessis in September, for example, and negotiate a truce of sorts in January, but this and all his judgments must carry the approval of his cabinet and of Parliament. Executive power under our system, however it may seem to be concentrated in one man, is really diffused, flexible and collective.

Power at the Apex

In Washington, however, executive power is concentrated in one man by unquestioned law, and seldom if ever so completely concentrated as it is in Eisenhower at a point of international crisis.

No Commonwealth nation would accept such a concentration for a moment. No Commonwealth statesman would want it. No single man would ever be trusted with the President's power of peace or war, which could mean life or death.

Nevertheless, under the American system of codified power (founded in rebellion against and misunderstanding of the British system) the present regnant posture of the President is taken for granted; is, indeed, accepted by the mass of Americans with relief after months of confusion.

Thus the difference between the Canadian and American systems, reflecting two different kinds of people. Thus also the quaint paradox of an American system so largely focused in one man yet claiming to be the most democratic in the world; and the British system theoretically focused in the Throne but in fact more democratic, and infinitely more flexible and adaptable than the American.

Both must adapt themselves somehow, in due time, to the new era when the current colossi have taken their leave.

Look For It Here

February 26, 1955

REGULAR FEATURES

Adelphi	38	Mkt. Com.	32
Bus. Trends	17	Mining	33, 34, 35
Editorials	6	Others Say	6
Growth Stocks	27	Quotations	30
Labor Round-up	7	What's New	15
Investments	4 & 5	Your Insurance	23

INDUSTRIALS

Alcan	20	Mont. Trust	27
Aquascutum	20	Mut. Accum.	10
Bell Tel.	32	New Bruns. Tel.	27
Colville Ind.	13	N. Life Assur.	32
Cont. Life Ins.	15	Northern Tel.	36
Dom. Textile	4	Premier Steel	5
Excelsior Life	25	Simpsons	27
Fraser Co.	17	Sov. Life	22
G. Woods & V.	13	Swift & Co.	22
Imp. Tob.	4	Third Can. Gen. Invest. Trust	27
John Inglis	17	West. Plywood	8
Man. Pwr. Com.	25	Zellers	27
Mont. City & Dist. Sav. Bk.	12		

MINES & OILS

Algom	35	New Marlon	34
Blk. Bay Uran.	35	New Thurbois	35
Blue Cerium	33	Que. Copper	33
Can. Javelin	35	Que. Nickel	34
Conecho	34	Socony Vac	23
Deer Horn M.	33	Superior Prop.	27
Jonsmith	33	Violamac Mines	35
Lake Cinch	33		

Ottawa Money Experts Happy

(Continued from page 1)

ers. It has been achieved—and achieved remarkably quickly—simply by letting Canadian yields fall down below those in the United States and elsewhere. Even if the rate does not necessarily go (and stay) near par in the immediate future, at least it is claimed that Ottawa has shown that a 3% or 4% premium is not necessarily a permanent condition.

A secondary effect of the lower value of the Canadian dollar will be to discourage imports. This was not a primary aim of the current exercise in monetary policy, but it was a result which was neither foreseen nor unwelcome.

To some extent the Government has been benefiting from a combination of circumstances which was not of its contriving. Authorities admit this, and merely claim that they have made the most of circumstances presented to them.

It happened that the Americans began to talk about dearer money at a time when Ottawa was convinced that Canada needed cheap money. And it happened that the Government was increasingly unhappy about the premium or the Canadian dollar at a time when a Canadian cheap-money policy could have its maximum effect on the exchange rate.

Surging Auto Production Promises Some Problems

(Continued from page 1)

an auto manufacturing executive.

—Bootlegging of new cars. The argument: Whether it's dangerous or a no-worry effect of hard competition.

For the autobuying public, there should be an important byproduct: Low prices, probably not as low as last year but in many cases well below list.

The economists and labor leaders who have expressed misgivings about the U. S. motor vehicle production speedup figure this way:

The U. S. industry is producing at a rate of nine million vehicles yearly for a market which may buy less than six million. Conceding that heavy production now is necessary to prepare for the big spring and summer sales months, they still contend that the current rate of output is going to mean long layoffs later in the year. These would have a depressing effect upon the economy.

Same reasoning will be applied in Canada, if production keeps booming.

The other side of the argument: Business and industry need a pacesetter willing to invest, spend and produce with confidence. The auto business is that pacesetter. It will pull the economy along with it to new high levels.

The quickening discussion of auto supermarts and bootlegging reflects fundamental changes within the industry itself.

Car supermarts appear destined for an increasingly important place.

They reflect the application of volume business principles in the auto retailing industry. Those principles apply in the same way as they do in food retailing, sale of appliances, many other fields.

They mean the smaller dealer must expand or die, because the big dealers pay less for their cars and can sell them with a much smaller markup.

This trend became obvious last year. There were some big dealers who, with the aid of intense advertising and low prices, sold 500-1,000 cars in a week. The little fellow who sells 50 cars a year and needs a good markup can't compete with this kind of big league salesmanship.

The supermarket growth could mean a de-emphasis on service. That's what worries manufacturers, who want to make sure owners of their products can get quick economical service.

When Ford masters its production hitches, the industry's weekly rate should move over 10,000 units. That's more than 40,000 a month.

In 1954, production topped 40,000 in the first four months, never did again. The record year of 1953 saw monthly production better 40,000 in six months including a record 52,420 in April.

Current indications are that 1955 production may reach a rate of around 47,000 a month, barring production cutbacks or strikes.

This would mean that Canada's basic steel production rate—now figured to be inching past 80%—would continue firming; parts makers would step up activity; and the whole economy would get a lift.

CANADA CARBON AND RIBBON COMPANY LIMITED PRODUCES THE BEST

BEAVER BRAND

TYPEWRITER RIBBONS

Ottawa to Ask Other Groups For Proposals on Gas Line?

(Continued from page 1)

ment assistance quickly, the 1955 construction season cannot be fully utilized, if it can be used at all.

—U. S. approval (from the Federal Power Commission) for the proposed export to Northern Natural Gas Co. of Minneapolis is most unlikely in time to justify work on that line this summer — so unlikely as to be almost written off as a possibility.

—Failure of the Northern Natural deal, so far as 1955 is concerned, has been more than half expected all along in government circles; and it gives no pain. Ottawa was never keen on it, and never wanted the trans-Canada line to be dependent on it.

—Government participation in financing a trans-Canada line would be politically unpopular in any form yet proposed.

—Government ownership would be even worse: it would put the Government in a squeeze between producers and consumers, getting the blame from both.

—Viewed politically, government assistance can be represented as another hand-out to Ontario, and in a lesser degree to the prairie provinces.

All this adds up to a pretty dilemma. Some ministers are impressed with the desirability of getting the line started this year—both as a matter of prestige and of economic advantage. Others are not much impressed with this. They say the main economic advantages will come after the line is built and working, rather than while it is being built, and that a year's delay would not be nearly so serious as a rather panic, rush move into government action.

This week it appeared remotely possible that Mr. Harris or some other minister would come up with a brilliant compromise to get the line started this year without getting the Government into troublesome commitments. But the brilliant compromise still had to be found at mid-week. It seemed more likely that the Government would throw the problem back to private enterprise — and widen the field sooner or later to admit other applicants besides Trans-Canada Pipe Lines Ltd.

your husband's friend

We are very conscious of the fact that seldom is a trustee appointed for a husband's estate without the approval of the wife. After all, it is in her interest that the executor is chosen. For that reason we would welcome the opportunity of discussing with her, the objectives of the will even before an appointment is made. It is so satisfactory to be dealing with friends —people who know, understand and have confidence in each other.

We would like to be your husband's friend in serving you and your family. A telephone call will make an appointment to discuss the details.

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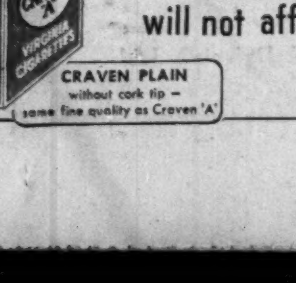
Superb in their flavour, Craven 'A' are completely and delightfully satisfying. Cool to the tongue and kind to the throat, they stand for all that is finest in cigarette quality—made from the world's costliest tobaccos.

The largest selling cork-tip cigarette in the world.



Craven 'A'

will not affect the throat

CRAVEN PLAIN
without cork tip — same fine quality as Craven 'A'

Here's Why Canada Needs More Winter Employment

(Continued from page 1)

always a decline in what is called the "participation" from September on until spring). The number of people with jobs dropped by 333,000. The number of people without jobs rose by 195,000.

It's instructive to compare this with what happened a year ago when the decline in business activity as well as employment was taking place. This season doesn't look so bad in comparison.

Between September 1953 and January 1954, the increase in unemployment (those without jobs and seeking work) was just about the same—197,000. But the drop in the number of people with jobs was notably sharper — 354,000 compared with this season's 333,000.

The change between the two years is even more striking when you separate farm workers from the rest. This season farm workers accounted for more than half the drop in people with jobs — 175,000. The drop in non-agricultural employment was only 158,000, compared with the previous year's drop of 211,000 from September to January.

If sample figures are worth anything in such small margins as these, they show 9,000 fewer people with jobs this January than last January. But only 1,000 of those were in non-agricultural employment. The main drop, 8,000, was in agricultural employment.

Apart from that evidence about farm work, little information is available about the distribution of January's unemployed, and it is not at all easy to place them.

Every region had more unemployed than last year with one exception—British Columbia.

The main sectors of reduced employment appear to be manufacturing, construction and transportation. There is every indication that forestry, mining, public utilities, finance and services are employing more people than a year ago. They were at the beginning of December, according to the indexes of employment, and it seems likely that they still were at the end of January.

The outstanding thing about manufacturing employment is that it has not matched the increased output and sales which have been featured since October. The November index of industrial production (latest available) was 7% higher than November 1953. But the November (and December) index of non-agricultural employment was almost 2% lower. The year-end pick-up in industrial production, in other words, has been achieved without any increase in industrial employment, though there has been some increase in hours worked.

The biggest question mark in the January figures hangs over construction. In spite of many indications that the construction industry was generally busy, it seems to have been employing fewer people than a year ago. The only available figures, as yet, are those of applicants for jobs, and they are not reliable because many people who are not regular construction workers get into them.

AUDITED PAID CIRCULATION ABC

The Canadian Jewish Review is *still* the only Jewish publication in Canada printed in any language reaching the Jewish community which is able to claim membership in the Audit Bureau of Circulations.

Ask For Our Latest A.B.C. Report And Publisher's Statement

Room 250, 265 Craig Street West
Phone UNiversity 1-1541, Montreal

Room 1207, 21 Dundas Square
Phone EMpire 4-1435, Toronto

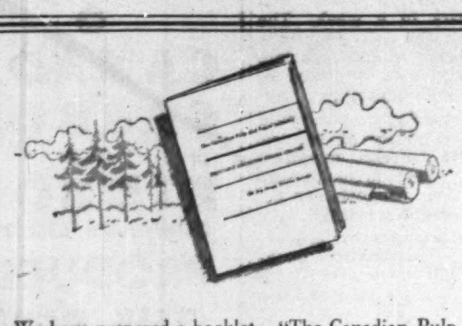
If you package any product that needs an hermetic re-seal, you'll probably snap up this idea.

Our new snap tight can changes a lot of ideas about packaging jams and other foods that are kept for day-to-day use. Easier to open than any hermetically sealed can. Reseals air tight. Lip is easier to wipe clean. Top-to-bottom label makes powerful display. Ask your Canco representative for all the facts.

Developed for a Canadian jam packer, the snap tight can demonstrates once more the *ingenuity* that has made Canco the leading name in the can-making field. Whatever *your* packaging problem, call Canco first!

American Can Company of Canada Limited

MONTREAL TORONTO HAMILTON CHATHAM WINNIPEG VANCOUVER CANCO



We have prepared a booklet—"The Canadian Pulp and Paper Industry"—outlining the background and importance of the industry and reviewing fifteen of its leading component corporations.

A copy of the booklet will be supplied upon request.

Equitable Securities Canada Limited

Members: The Investment Dealers' Association of Canada

220 Bay Street, Toronto

EMpire 6-1141

How They Perform On Market

PRICE RANGE OF STOCKS OF 4 COMPANIES WITH CONVERTIBLE PREFERREDS

Year	MacMil. & Bloedel A	MacMil. & Bloedel B	B. C. Packers A	B. C. Packers B	National Hosiery A	National Hosiery B	Argus Corp. 4½ % Pref.	Argus Corp. Com. Equiv.
	$	$	$	$	$	$	$	$
1947 ..	10 - 9¾	7⅞ - 5¼	16 -12¾	9 - 5	4.3-3.3	4.2 -2.8	98- 80	65⅝- 42
1948 ..	11 - 9	9¼ - 4¾	14⅝-10½	8¾ - 3¾	5.6-3.3	5.6 -3.3	83- 65	55⅛- 38½
1949 ..	10 - 7⅞	8 - 6	13* - 9½	7 - 4	7.5-3.1	7.7 -5.2	78* 60	55⅛- 35⅞
1950 ..	17 - 8¾	17 - 7½	14¾-10	10 - 5	9.5-6.3	10.2 -6.3	85- 70⅞	65¼- 49
1951 ..	30½-16¾	31 -16⅝	22 -12¾	21 - 8	10.6-9	10.8 -8.3	92- 75	78¾- 43¾
1952 ..	26 -17½	26 -17	20 -12	19 -10	9 -7	9¼-7	87- 78	74⅜- 56¼
1953 ..	20⅜-16	20½-15¾	15½-10	9¾- 6½	9 -7	8½-6⅞	85- 78¾	64⅜- 56¼
1954 ..	28 -17½	28⅝-17¾	17 -13	13½- 9	7 -6	7½-5	112- 82½	115 - 62½
1955 ..	30¼-28	32¼-26½	18 -16	14⅞-12¼	no sales	5½-4.45	116-106½	118¾-103¾
Conversion basis	sh. for sh.		sh for sh.		sh. for sh.		7 com. for 1 pfd. to Dec. 31/50 5 com. for 1 pfd. to Nov. 30/55	
Div. range	50c	30c-$1	75c	75c-nil	20c	68c-nil	$4.50	$4.20-2.80
Curr. div.	50c	$1	75c	*25c	20c	48c	$4.50	$4

Note: Figures adjusted for stock splits where applicable.
*Interim payment payable March 15, 1955. Before omission of dividends in 1952, class B dividends paid semi-annually

FINANCING FAD

By PAUL S. DEACON

This Year It's Convertibles

Why The Current Fashion In Equity Financing?

Aside from "rights offerings," the newest fad in offerings of new equity securities seems to be the convertible preferred issues.

At the moment, the "fad" is largely confined to companies with which Argus Corp. and the E. P. Taylor interests are connected, but the rapidity with which the last couple of these issues were sold has attracted special interest to the latest one just coming up—a $14½ million issue by Canadian Breweries.

Argus Corp., the Taylor holding company, got things under way in October with a $7.5-million issue of convertible second preference stock. Offered at $50, it has been trading recently at $54.

Then followed a similar issue by the Ontario Jockey Club—$2 millions in January. Mr. Taylor is vice-president. The stock, brought out at $10, has been trading recently around $11 a share on the over-the-counter market.

Early in February, a $25 million Massey-Harris-Ferguson Ltd. convertible preferred issue was sold at $100 a share (now $102 over-the-counter). And now comes the big Canadian Breweries' offering.

Why Convertibles

Why the great emphasis on convertible preferreds? Investment men see several reasons which have encouraged this form of financing.

First, probably, is the desirability of carrying out equity financing now while the stock market is strong. Companies always find investors more receptive to stock issues in times like this.

Also, the convertible preferred has some special attractions at this time for both the investor and for the company raising the money.

The company obtains more money than through a straight common stock offering. If common stock were offered to shareholders, the price would normally have to be considerably below the current market price. If it were offered through investment dealers, it could not be sold at a price above the current market — it would probably be slightly below. As it is, the company is able to sell stock convertible into common at a price above the market for the common.

For the investor, the convertible preferred offers a hedge in a period of market uncertainty. As one investment man put it, people are worrying now about a possible drop and yet are afraid the market will go still higher. If the market drops, dividend protection for the preferreds is more ample, and market action should be more stable. If the market rises, the conversion feature on the preferred will enable those shares to rise along with the common.

The convertible preferred isn't a new thing. There are many such issues outstanding. Because companies don't like to have too complicated a capital structure, however, they are usually offered at a time when there is some expectation that the market will go still higher and the hybrid stock will be eliminated by conversion.

This doesn't always work out. There are at least 50 convertible preferred issues of Canadian companies now being traded, and in many cases not a share has been converted.

Advantage to Company

On the other hand, there is ample evidence that the convertible preferred can help increase a company's common stock capital and therefore strengthen its future ability to finance through senior securities.

Industrial Acceptance Corp. recently called for redemption two convertible preferred issues, all of which were converted. One of these had been sold at $30 a share in 1952 when the high for the common was $29½. The other was sold at $40 a share in 1953—a year in which the peak for the common was $36¾.

The redemption was made this month at a time when the common was selling at more than $50, and since the redemption prices were $31½ and $42 respectively, holders naturally prefered to accept common stock on a share for share basis rather than turn the preferreds in for redemption.

Thus the company assured itself of an increase of $12½ millions in its common stock outstanding, and thereby strengthened its capital structure.

Standard Paving & Materials and Union Acceptance Corp. have similarly called convertible preferred issues in the past year, with a resultant increase in their common stock capital.

Some investors object to these convertible issues on the grounds that they tend to dilute common equity. There seems little doubt, however, that companies can raise more money more cheaply this way, and this should benefit the existing common shareholders if conversion does in fact take place. If the stock isn't converted, it results in a more cluttered capital structure, but amounts to the same thing as issuing a straight preferred stock.

How They Perform

In an accompanying table, the market performance of the stocks of four companies is shown. In three instances, the class A stocks are convertible share-for-share into the class B. In the case of Argus Corp., the preference stock was convertible until the end of 1950 on the basis of seven common for each preference share; since then, five common for each preference.

In three cases, the preferred issue has had a more stable price performance when market prices on the common fell off, yet they have also moved up with the common when the common price reached the point at which conversion became attractive.

In the fourth instance, National Hosiery, the basic dividend is relatively so small that the class A showed no special resistance to decline except when it got down close to $3 a share back in 1947 (at $3.30 it yielded 6%). The rest of the time, it moved with the B stock. Number of class A shares outstanding has been reduced from 82,000 to 17,000 since 1946.

MacMillan & Bloedel started out with 750,000 class A, now have just over 100,000. Dividends on the B started out below those available on the A, but now are double the A rate.

British Columbia Packers B shares have paid as much as the class A only for a short period. Thus only 330 class A have been converted into B. The A has kept pace with the B in any market rises, and dividends have been regular, so it has been more advantageous to hold the A shares than to convert.

Argus Corp. first preference shares have shown some fairly wide fluctuations, but haven't dropped as much in relation to their original offering price as the common. When the common finally reached the level at which it became profitable to convert preferred shares, the two classes of stock began to move together.

No conversions of Argus preference into common took place from the time it was issued late in 1945 until December, 1954. Since then, about 6,000 shares have been converted into common, increasing the number of common by 30,000 and decreasing the number of first preference to 44,000.

The process of conversion sometimes takes a long time. Brazilian Traction sold $10 million 6% convertible preference shares back in 1913. There are still $393,400 outstanding, and none have been converted since 1930.

Canadian Canners issued about 350,000 convertible second preference shares in 1927 as part of reorganization. When the shares were finally redeemed in 1950, only 23,000 had not been converted. But only just over 1,000 shares of a 190,000-share convertible first preference issue of that company were converted from the time they were issued in 1936 until their redemption in 1950.

Belding-Corticelli has a non-callable 7% preferred issue which in 1951 the company made convertible share-for-share into common until Dec. 31, 1953. But earnings fell off in the following two years and only 1,500 out of 86,000 were converted into common by the time the deadline was reached.

MACMILLAN & BLOEDEL LTD. converted 3,373 Class A shares into an equal number of Class B shares during the month of January. There are 107,087 Class A shares and 5,178,451 Class B shares outstanding.

Imperial Tobacco Net 4.7% Higher

MONTREAL (Staff)—Imperial Tobacco Co. of Canada Ltd. showed a net profit of $7,884,588 for 1954, up 4.7% from $7,533,026 the previous year.

Annual report is expected to be issued next week. Meantime, the company reports that after appropriating $1,115,195 for redemption of 4% preference shares and debentures ($1,375,000 in 1953) and paying or providing for full preference dividends and common dividends of 50c per share (47½c), the addition to earned surplus totaled $1,159,073 ($763,425).

Annual meeting will be held April 5.

Dom. Textile Defers Dividend

MONTREAL (Staff)—Dominion Textile Co. has again decided to defer action on common stock dividends.

"At this time," states the company, "the results of the current year's operations are only known to Jan. 8, 1955, nearly three months short of the full year ending March 31. The figures as of Jan. 8 do not warrant the declaration of a final dividend for the year, and directors desire to have all possible information available before making a decision in a matter which affects the welfare of thousands of shareholders."

Dominion was paying 10c quarterly per common share, but omitted this last October.

"At the March meeting of the board," it reports, "later information will be available which should be fairly indicative of the prospective year-end results."

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The Canadian Bank of Commerce

Rights to Subscribe for Capital Stock

The Rights to subscribe for Capital Stock of The Canadian Bank of Commerce expire March 15th, 1955. Four Rights are required to subscribe for one Share at $27.

Payment of the subscription price may be made in cash or in 10 equal monthly instalments commencing March 15th, 1955. The Shares will rank for dividends in the proportion which the payments made bear to $27.

The Rights are currently quoted at about $4.10 and the Shares at about $43.50. The current annual dividend rate is $1.20 per Share payable quarterly.

Orders for the purchase of Bank of Commerce Rights or Shares may be entered at any of our offices.

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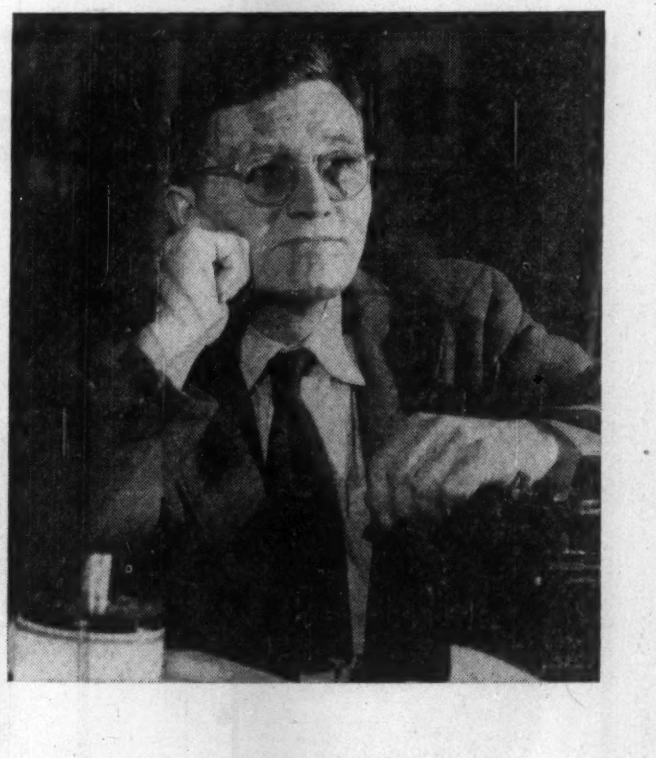
ANNOUNCEMENT

ROYAL TRUST APPOINTMENTS

W. E. BICKLEY G. O. VALE C. F. HARRINGTON

ASSISTANT GENERAL MANAGERS of The Royal Trust Company who will assume additional duties. It has been announced that W. E. Bickley of Head Office, Montreal, has been appointed Supervisor of Corporate Trusts and of Eastern Branches; G. O. Vale, Manager of Vancouver Branch, has been appointed Supervisor of Western Branches; and C. F. Harrington, Manager of Toronto Branch, has been appointed Supervisor of Ontario Branches.



Read BRUCE HUTCHISON this week in

The Financial Post

Bruce Hutchison is one of the nation's foremost authorities on political and economic affairs. He has a host of intimates in high places. Noted for his books, short stories and articles, widely travelled, he is well-known throughout the English-speaking world.

Due to appear this autumn, his book, "The Struggle for the Border" (Longmans Green), is the dramatic and colorful saga of the long frontier that welds the U. S. and Canada.

Don't miss Bruce Hutchison's regular column in The Financial Post.

THIS WEEK IN THE FINANCIAL POST

$800,000 principal amount of these 6% Sinking Fund Notes, Series A have been placed privately.

NEW ISSUE

$1,450,000

Premier Steel Mills Ltd.

(Incorporated under the laws of Canada)

6% Sinking Fund Notes, Series A

To be dated March 1, 1955 To mature March 1, 1965

Price: 100 and accrued interest

Each $1,000 principal amount of 6% Sinking Fund Notes, Series A hereby offered will carry a bonus of 40 fully paid Common Shares without nominal or par value in the capital stock of the Company.

A prospectus, a copy of which has been filed with the Secretary of State of Canada, will be promptly furnished on request.

W. C. Pitfield & Company, Limited

Osler, Hammond & Nanton Limited **Sydie, Sutherland & Driscoll, Ltd.**

MANAGED INVESTMENT

Compton Account Value Rises $1,321 In Month

The game of "musical chairs" played recently by the 14 men in the Kremlin had a slight effect on stock markets in the Western world, but not enough to prevent solid gains over the month ending Feb. 15.

As a result, Compton's break-up value went ahead to the tune of $1,321, an increase of 5.6% compared to a month ago. Value of the account now stands at $26,393. Prospective income, too, will benefit from the announcement that Inco's quarterly dividend on the common stock will go up 5c U. S. on March 21.

Compton's Manager Says

Although there was a slight setback following announcement of changes in the Russian hierarchy, trading on both Canadian and New York stock markets during the month ended Feb. 15, was featured by solid gains scattered throughout a majority of the list.

Some indication of current strength in the stock market is shown in the following comparison of principal indexes:—

	Feb. 15	Jan. 14
T.S.E. Industrials	383.38	378.56
T.S.E. Golds	81.63	81.66
T.S.E. Base Metals	169.31	161.94
T.S.E. Western Oils	108.88	103.91
Dow Jones Industrials	411.95	396.54

As a result of the continued strength of the market during the period ended Feb. 15, there was a 5.6% increase in the break-up value of Compton's investment portfolio, as compared with a month ago. During the same period, the T.S.E. index of industrials rose by 1.3% and the T.S.E. index of base metals was up by 4.5%.

The only change to be noted in Compton's investment account during the month ended Feb. 15, was the purchase of five additional shares of Aluminium common stock direct from the company.

No investment income was received by Compton during the period ended Feb. 15. The monthly withdrawal of $60 for personal expenses was made according to the management agreement. As a result of the withdrawal, the cash balance in Compton's account was reduced to $307.66 as at Feb. 15.

As a shareholder of International Nickel, Compton will be interested in the announcement that the company has declared a quarterly dividend on the common stock of 55c U. S. per share, payable March 21. This is an increase over the previous quarterly payments of 50c U. S. per share.

Compton Account Now Stands:

		Cost per Sh.	*Mkt. per Sh.
Preferred Stocks			
120	York Knitting A	$7.75	2½
Common Stocks			
100	Abitibi	12.76	28⅜
30	Aluminium	....	79
25	Can. & Dom. Sugar	19.55	22
25	G.P.R.	24.69	30
50	Cockshutt	9.08	7⅝
25	Distillers	29.60	32
100	Powell River	24.50	41¾
75	Hiram Walker	47.60	68½
Mining Stocks—Base Metals			
25	Cons. Smelters	17.00	33
50	Hudson Bay	48.95	60
75	Internat'l Nickel	44.41	62⅞
Mining Stocks—Precious Metals			
15	Kerr-Addison	16.25	16¼

Cash	$307.66
Current market value of fund	$26,393.29
Prospective annual income	1,248.75
Aver. yield on original $10,000	12.49%
Aver. yield on curr. mkt. value	4.73%

SUMMARY

	Book Value	*Mkt. Value	Annual Income
Preferred Stocks	$835.00	$300.00	.....
Common Stocks	10,955.84	17,001.25	$762.50
Mng. Stocks: Base Metals	6,203.12	8,540.63	473.75
Precious Metals	243.75	243.75	12.00
Cash	307.66	307.66	.....
	$18,655.37	$26,393.29	$1,248.75

*Bid price at Feb. 15, 1955.

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CNR Arranges Tours on Gaspe

MONTREAL (Staff)—CNR has announced new four-day, all-expense tours to the Gaspe this summer.

The tours will be operated daily during July and August, while special arrangements may be made for trips in June and September. The 550-mile route will feature leisurely drives along the picturesque Gaspe peninsula, the north shore of the Baie des Chaleurs and through the Matepedia Valley.

R. R. CARSON

has been named vice-president, Diversey Corp. (Canada) Ltd.

Expect Cdn. Brew. Issue To Raise $14.5 Millions

A $14.5 million offering of $1.25 cumulative convertible preferred shares, $25 par, of Canadian Breweries Ltd. is expected shortly. Offering price is expected to be $29 a share.

The shares are convertible share-for-share into common until April 1, 1960, and are redeemable at $29.50 a share.

Approximately $8 millions of the proceeds of the offering will be used for expansion of brewing capacity of company's subsidiaries in the U. S. and Canada, and the balance for general corporate purposes.

About $19 millions is required to complete current expansion programs, about half of it for the new brewery being built at Natick, Mass. by Carling Brewing Co. (more than 98% owned by Canadian Breweries). Carling Brewing Co. has a 1.8 million bbl-per-annum plant at Cleveland and breweries at St. Louis, Mo. and Belleville, Ill. having a combined capacity of 1.5 million bbl. Total capacity of the U. S. company is expected to be 4 million bbl by early 1956.

Canadian Breweries' capacity (11 plants) is 2.8 million bbl (expected to reach 3 million by early 1956) and its majority-owned subsidiary, Dow Brewery, has plants with a combined capacity of 1.5 million bbl.

Maximum annual interest requirements on company's outstanding funded debt amount to $1,671,903. Dividend requirements on the preference shares will be $625,000 a year. Net profits since 1947 have ranged between $4.9 millions and $7.9 millions annually.

Premier Steel New Issue To Finance Alberta Mill

MONTREAL (Staff) — A new issue of $1,450,000 Premier Steel Mills Ltd. 6% sinking fund notes, series "A," due 1965, will soon be made at 100 by a group headed by W. C. Pitfield and Co.

Each $1,000 series "A" note will carry a bonus of 40 no par value common shares.

At the same time, the company will issue 3,500 6% cumulative redeemable $100 par preferred shares, series "A," to private subscribers.

Proceeds will be used for construction of a merchant bar mill with a capacity of 30,000 tons of steel per year at South Stracona, near Edmonton. The mill will be capable of producing a wide range of common sizes and shapes of steel, including all reinforced bar sizes, angles up to and including 4-in. leg angles, flats up to and including 4-in. widths, channel sections from 2 to 4 in. inclusive and small "I" beams.

Proceeds also will be used to pay for cost of site and related facilities and for working capital. It is expected the mill — expected to cost $1.4 million — will be completed by the end of 1955, and main raw material will be steel scrap.

Here is how the company figures its sales and markets:

A survey was taken which placed the annual consumption of steel products in Alberta within the capacity of the proposed mill at between 20,000 and 25,000 tons. The survey was reviewed and found conservative.

The rapid industrial development of Alberta is expected to continue and indications are that consumption of steel will grow considerably in the province over the next few years.

Alberta market is being supplied at present by mills in Manitoba, British Columbia, Northwest United States and Europe. Due to the strategic location of the proposed mill, the company expects to obtain a substantial portion of the expanding Alberta market.

Current commodity freight rate on steel from Selkirk, Man., and from Vancouver, B.C., is $29 a ton and $27 a ton respectively. This, in addition to advantage of a new and modern low cost unit, operating in close proximity to its market, is expected to place the proposed mill in a favorable competitive position. The average selling price in 1954 of the type of steel to be marketed by the company was about $140 per ton.

The company was incorporated to produce and market merchant steel products, principally in Alberta but also in B. C., Saskatchewan and elsewhere in Canada.

Based on production and sales rising from 7,400 tons in the first year of operation to 18,000 tons (60% of capacity) in the sixth year, the prospectus estimates earnings as follows:

—First year, net loss of $220,100; second, net profit of $1,700; third, profit of $133,600; fourth, profit of $260,900; fifth, profit of $239,600; sixth, profit of $280,800.

Outstanding capitalization will include $1,450,000 6% sinking fund notes, series A; $350,000 6% cumulative redeemable $100 par preferred shares; and 290,000 npv. common shares.

Officers and directors include: F. G. Winspear, president; F. J. Bartholomew, vice-president; G. R. Heffernan, managing director and secretary; K. W. Dalglish; Clarke Gibson; N. D. McDermid; H. R. Milner. Treasurer is R. W. Hamilton.

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ANNOUNCEMENT

CANADA TRUST APPOINTMENTS

R. A. ROBERTSON

BRIG. G. W. ROBINSON, C.B.E., E.D.

The appointment of R. A. Robertson, Toronto, and Brigadier George W. Robinson, C.B.E., E.D., London, to the Board of The Canada Trust Company has been announced by M. Aylsworth, president of the company.

Mr. Robertson is Vice-Chairman of the Board of each of the following companies: George Weston Limited, E. B. Eddy Company and J. R. Booth Limited. He is Chairman of the Board of Somerville Limited, Vice-President of McCormicks Limited and a Director of Sidney Roofing and Paper Company Limited, Victoria, B.C. and many other companies.

Brigadier Robinson is Vice-President of Cronyn, Pocock and Robinson Limited, London, Ontario.

U.S. Approval To Speed Flights For Sportsmen

MONTREAL (Staff) — One of Canada's aviation pioneers has been given permission to operate in certain parts of the U. S. under certain conditions.

President Eisenhower has approved a Civil Aeronautics Board order authorizing Wheeler Air Lines Ltd., of Montreal, to operate an air cargo and passenger service of "a casual, occasional or infrequent nature" between St. Jovite and Clova, Que., and Northeastern U. S.

"This new license will give us greater freedom of movement to the United States, and dispense with time involving formalities which could well rule out the speed advantage of special charter flights," said F. H. "Tom" Wheeler, president of the airline.

Mr. Wheeler first started flying hunters and fishermen in the Laurentians in 1921 and his organization is the oldest in Canada.

"Many of the American sportsmen whom we take into northern lakes on hunting and fishing parties come from places off the main scheduled air routes and in consequence considerable time is involved in getting to and from our area," he said. "They frequently wish to fly all the way and with this new license we are able to do so with a minimum of delay."

Wheeler operates full maintenance facilities at St. Jovite to service its fleet of 16 aircrafts. It operates one scheduled flight between Dorval Airport and St. Jovite.

Famous Players Signs 3-Yr. Deal

A three-year deal between Famous Players Canadian Corp. and Twentieth Century-Fox Film Corp. in the U. S. has been arranged to assure the Canadian firm continued rights to exhibit the profitable "Cinemascope" productions it introduced in Canada.

Famous Players is the largest owner and operator of movie theatres in Canada. The new deal, according to Twentieth Century-Fox, will bring the U. S. firm an estimated $10 millions in film rentals over the three-year life of the contract. The contract covers features and short subjects, and is described as the largest ever arranged by Twentieth Century-Fox.

President J. J. Fitzgibbons of Famous Players told The Post that earlier contracts with Twentieth Century-Fox had been on an annual basis. The Cinemascope productions have been so successful it was decided to arrange the longer term contract.

Business is good on first run showings, particularly since the introduction of some of the newer type productions, Mr. Fitzgibbons says. Some of the smaller second-run theatres have been suffering from television competition, however.

Insurance Firms Favor Mortgages

Canada's life insurance companies have shown an overwhelming preference for mortgages as an investment outlet over the past three years. At the same time, they have been sharply reducing their holdings of Government of Canada bonds.

That's the picture presented in a Bank of Canada compilation of Canadian investment transactions by 12 life insurance companies whose net premium income in Canada in 1953 was 80% of the total for all companies with federal registration.

With mortgage interest rates remaining high while the general level of interest was dropping, the insurance firms had a strong incentive to put their dollars to work in mortgages.

As a result, these 12 companies increased their mortgage loans by $221 millions in 1952, $273 millions in 1953, and $357 millions last year.

In their bondholdings, the companies showed a marked swing from Government of Canada bonds to corporation bonds. They reduced their portfolio of governments by $49 millions in 1952, $44 millions in 1953, and $97 millions in 1954. During the same years, they increased their holdings of higher-yielding corporate bonds by $88 millions, $120 millions and $92 millions.

Preferred and common stocks comprise a relatively small proportion of any life insurance company's investment portfolio. Last year, these 12 firms made a net reduction of $3.2 millions in their stockholdings. Undoubtedly profit taking was a prime reason here, as the stock market climbed steadily throughout 1954.

Here is the Bank of Canada's compilation of Canadian investment transactions of 12 large life insurance companies during the past three years:

NET INVESTMENT IN

	1954	1953	1952
	(millions of dollars)		
Canada bonds*	—96.7	—44.4	—48.7
Provincial bds.*	15.1	1.2	18.8
Municipal bds.*	16.8	10.7	22.0
Corp. & other bds	92.5	120.5	88.1
Stocks	—3.2	2.0	0.3
Mortgage loans (gross)	357.1	273.0	220.7
Real Estate	27.1	14.3	15.3
Policy loans	12.1	10.2	11.6
Total	420.8	387.5	328.3

*Includes guaranteed bonds.

NET SOURCE OF FUNDS

	1954	1953	1952
Mtge. repay.	136.8	122.5	108.5
Funds transferred from abroad	22.8	11.3	15.9
Funds from Cdn. insur. operations	261.2	253.7	203.9
Total	420.8	387.5	328.3

CAE Holders Offered Common

MONTREAL (Staff)—Common shareholders of Canadian Aviation Electronics Ltd. have been offered an additional $500,000 in common shares to provide increased working capital for expanding sales and production, the company says.

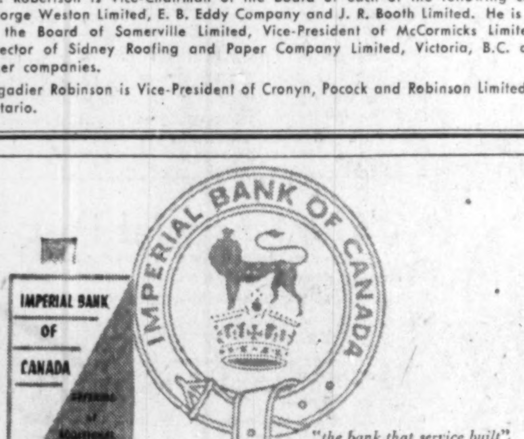
The offer is open to the end of February and is expected to be taken up. The company said there is no thought of making a public offering.

The fast-growing company is currently engaged in a wide range of defense and peacetime production including considerable radar work. It had been assumed that it would undertake some form of financing.

Information Returns Due Soon Under Income Tax Regulations

Information returns required under the Income Tax Act for the 1954 taxation year must be filed as follows:

Form		Filing Date
T. 4	Return of salaries, wages and other remuneration paid	Feb. 28
T. 5 Annuities	Return of contractual annuities paid	Feb. 28
U.S.T. 4-5-6	Return of amounts paid by Canadians to residents of U. S.	Feb. 28
T. 5	Return of dividends, patronage payments, royalties and interest paid	Feb. 28
U.S.T.1	Return of amounts received by Canadian residents from sources within the U. S. and paid to nonresidents	March 15
T. 3	Return of income of estates and trusts and the distribution thereof	90 days from end of taxation year of estates and trusts



"the bank that service built".

Offering of Additional Capital Stock
Imperial Bank of Canada
Established 1876

The Bank has offered its shareholders of record on January 7, 1955 the right to subscribe for 3 new shares at $32 per share for each 7 shares held. Warrants evidencing this right to subscribe for shares expire on May 3, 1955 and should be exercised before that date.

We recommend that present shareholders increase their holdings of the capital stock of this progressive Bank by taking advantage of this offer and subscribing for the additional shares to which they are entitled. For investors who are not now shareholders, we recommend that they consider strengthening and further diversifying their investment portfolio by acquiring Imperial Bank shares in the open market or through the purchase and exercise of warrants.

To facilitate the payment for shares purchased through the exercise of warrants, the Bank has provided that the subscription price may be paid in 10 monthly instalments of $3.20 per share, beginning on May 3, 1955.

Your enquiry invited. Call our nearest office for a descriptive pamphlet giving complete details.

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Guaranteed by the Province of British Columbia as to both principal and interest

To be dated February 15th, 1955 — To mature February 15th, 1970

Principal and half-yearly interest (February 15th and August 15th) payable in lawful money of Canada in the cities of Victoria, Vancouver, Edmonton, Regina, Winnipeg, Toronto, Montreal, Saint John, Halifax, St. John's, at the holder's option. Coupon bonds in denominations of $1,000 with provision for registration as to principal, and fully registered bonds in denominations of $1,000 or multiples thereof. Coupon bonds and fully registered bonds are interchangeable.

Provision will be made for Sinking Fund payments by the Authority amounting in each year of the currency of the bonds of this issue to approximately Five per cent of the total principal amount thereof, and in addition the Lieutenant-Governor in Council has approved of the payment as a subsidy to the Authority by the Minister of Finance out of the Consolidated Revenue Fund of the Province of an amount in each of such years equal to Two and one-half per cent of the total principal amount of this Issue. Such subsidy payments are to be paid into the reserve account of the Authority. It has been estimated by the Deputy Minister of Finance that these combined payments aggregating in each year approximately Seven and one-half per cent of the total principal amount of this Issue, together with interest earnings thereon calculated at a rate equivalent to the average current earnings of Provincial Sinking Funds, will be sufficient to enable the Authority to redeem the Bonds of this Issue in full in less than eleven years at the prevailing premium.

Legal Opinion: Messrs. Daly, Thistle, Judson & Harvey.

Redeemable at the option of the Authority on 30 days' previous notice, as a whole or in part by lot; at: 102.00% if redeemed on February 15th, 1965; 101.75% if redeemed thereafter, and on or before February 15th, 1966; 101.50% if redeemed thereafter, and on or before February 15th, 1967; 101.00% if redeemed thereafter, and on or before February 15th, 1968; 100.00% if redeemed thereafter; in each case together with accrued interest to the date fixed for redemption.

Price: On Application

We, as principals, offer these bonds if, as and when issued and accepted by us, subject to the approval of counsel, for delivery on or about March 30th, 1955.

A circular describing this issue is available upon request.

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The Editorial Page

Here's A Positive Approach

With the return of real competition in world trade, many sections of Canadian industry have found themselves doubly handicapped. These people find that with a small domestic market and a high wage pattern, they must compete with countries in a much better competitive position. In the United States, while wages are high, the home market is big enough to support mass production with its low unit cost. In other countries, the same end is possible because of low labor costs.

This is the problem and it isn't going to change in a hurry. The domestic market in this country is going to stay relatively small for a long time. And there is no prospect of any appreciable drop in the wage level. What can be done about it?

H. H. Rogge, president of Canadian Westinghouse, took a refreshingly practical view of the situation last week in talking to the Guelph Board of Trade. He said:

"Canadian manufacturers cannot solve their difficulties simply by trying to do what other countries are already doing well. We cannot compete with the United States in mass production items, for example, simply by imitating the assembly line methods of the U. S. We have too small a market. If we do only what the U. S. manufacturer does—even though we do it as well as he, and perhaps even better—we are licked.

"We must find some new, better, and possibly unique method of making our products—perhaps an industrial invention as new and as unexpected as that of mass production itself in the day of its early development, or as fundamental as was the factory system when it emerged from the handicraft era."

Mr. Rogge's is the kind of positive thinking that is needed.

Developing New Customers

Canadian trade figures for 1954 provide further evidence of the need for greater aid for underdeveloped countries. Our exports were down 6% from the 1953 total of $4.1 millions. Some of the decrease was due to lower prices; by volume, the decline was only 3.5%. This isn't a large drop; but it's certainly a change in the wrong direction.

Export trade with our two largest markets, the United States and the United Kingdom, didn't decrease quite so much. The proportion of our exports going to each of these countries increased: 59.7% went to the United States, and 17% to Britain.

It was in the areas labeled "underdeveloped" that the sharpest declines occurred: in India and Pakistan; in Peru and Venezuela; in Egypt and Japan. Sales to Japan (our third largest market) dropped from $118.5 millions to $96.5 millions.

It seems clear that the economic problems of the underdeveloped countries are reflected in Canadian trade. This gives rise, in Canada, to two problems of our own: a decline in some types of business activity, and an increasing dependence on the United States market.

Is Canada spending all it can well afford on aid to underdeveloped countries through the Colombo Plan? Healthy Asians mean more and better customers for us.

Thrillers Come True

We have become resigned to the fact that the stories of E. Phillips Oppenheim are not the improbable fantasies we used to think them to be.

Nowadays diplomats really do vanish mysteriously. Citizens of a Central European state actually do barricade themselves in embassies and carry on battles with the police. Secret plans are actually pilfered. Secrets are stolen. In short, the real world today is very much like the sort of place that the thriller writers of 30 years ago portrayed as fantasy.

Nevertheless there is one invention of early thrillers that we did not expect so soon to find paralleled in real life. This was the feat of the fiction scientist who discovered how to duplicate real jewels—to make synthetic diamonds that could not be distinguished from those brought forth from the earth.

Now, General Electric has done it, with industrial diamonds at least man-produced. The cost, however, is reported to be twice that of the natural diamonds which probably explains why there was no mass suicide of the diamond merchants in Amsterdam or a real rush to sell De Beers Consolidated in London.

Translation, U. N. Style

Mr. Winch is one of the CCF members of Parliament who has what is almost genius for rousing the ire of their French colleagues. He remarked in a speech in Vancouver that he had yet to meet a French Canadian MP who didn't understand and speak English. "Yet this minority insists on using French in the House. We have to wait 24 hours for a transcript to find out what they said."

This remark, quoted in Parliament by Charles Cannon (Iles-de-la-Madeleine) naturally touched off a round of indignant statements by the Canadian MPs, all of whom elaborately apologized to Mr. Winch, in English, because they intended to speak in French.

One of the main speeches on the subject was made by Fernand Girard (Lapointe) who argued that "No member of the House can claim to be truly a Canadian if he cannot express himself in the two languages which our constitution has left us as our heritage."

Georges Villeneuve (Roberval) proposed that the House of Commons institute a system of instantaneous translation, in the style of the UN.

This strikes us as a dubious idea. Simultaneous interpretation is prone to error. Mr. Winch and his associate, Mr. Regier (Burnaby-Coquitlam) can get into enough trouble with the present system. As Mr. Girard put it, "they pour oil in all the nooks and corners of our national characteristics and then take us to task for setting fire to it." What would they do if they didn't have 24 hours in which to work out a translation which is passable?

They Don't All Grow Wheat

Cash income of Canadian farmers in 1954 is down 12% from the previous year, according to the preliminary estimates of the Dominion Bureau of Statistics. That statement, taken by itself, is misleading, since it suggests that farmers all over Canada participated in this decline. They didn't.

In point of fact, the drop in farm income was almost entirely confined to the Prairies. Every other province, with the exception of Prince Edward Island, reported an increase. In the prairie provinces, on the other hand, the decline was much more serious than the national average of 12% would suggest. In Saskatchewan, there was a shrinkage of over $277 millions or to 37% below 1953.

The explanation of this income pattern lies, of course, in the fact that reduction in wheat sales is the main element in the total decline in farm incomes, and in the prairie provinces wheat is still king.

In short, the current decline in farm income is largely a one-crop problem, and a one-region problem. That is not to say that the rest of Canada is indifferent to, or unaffected by, the decline in revenue to the prairie wheat farmer. Wheat is something with which we are all concerned, if only because it is still one of our prime export earners. Besides that, the prairie market for Canadian goods is an important source of jobs for all Canadians.

The figures above are quoted not to dismiss the problem of farm income as one for the prairies to solve, but to establish two points. First, it's important to remember that though prairie farmers have their special problems, agriculture as a whole is not in a parlous state. Second, and conversely, it's equally important to realize that though farmers in other parts of Canada are patently prosperous, prairie farmers do have a problem of serious proportions.

There is a temptation to think of farming in Canada as a homogeneous occupation: to assume that one farmer's problems are very like another's, and to search for solutions that will deal with farm problems in one lump. Such an approach in this situation would only lead to errors.

A Happy Idea

Canadian cultural ties with the Netherlands will be appreciably strengthened by the exhibit of famous Dutch Paintings which opened in the Toronto Art Gallery this week. This happy idea of bringing the works of world famous masters across the Atlantic for a wider audience is one that can spread with most beneficial results.

During and since the last war, Canadian links with Holland have become close. Thousands of our veterans have personal recollections of the densely populated little country that lies along and below the North Sea. And since then we have received many of our finest immigrants from that same land. These people have been a welcome addition to Canada and equally welcome will be the loan of some of their finest art.

Economics at High School

A group in the United States is considering ways of teaching economics in high school.

Presumably, the plan of the National Association of High School Principals covers only the elementary aspects of the subject and would be aimed primarily at the group which will not go on to take such a course at university.

If so there could be much value in the idea. In this country, only about 16% of the current 350,000 students attending high school will enter university. For those others, some understanding of the interrelationship between supply, demand and price, for instance, would enable them to consider more intelligently the involved issues that arise in modern society. Such knowledge could make them better citizens.

There is always the danger of cluttering curricula with too many subjects. But there is far more justification for including economics than there is for devoting time to such matters as learning how to drive a car or how to talk politely on the telephone.

Beginning of a New Industry?

Some day fish canneries may dot the shores of Hudson Bay and an area now deficient in food supplies will furnish a surplus.

This winter the Ontario Department of Land and Forests has planted chum salmon eggs in the big inland sea discovered by Henry Hudson 345 years ago this summer. More eggs will be added there and in connecting rivers.

Contrary to rather general belief fish are not abundant in Hudson Bay. Certainly no concentration has been sufficient to attract commercial fisheries.

Perhaps lack of food may be the reason in which case the newly introduced salmon may face a tough existence. But it is also possible that present varieties of fish are not suitable, and the new salmon will be. Lots of fish-barren lakes on this continent are now well stocked thanks to the introduction of new and suitable species.

Ironing Out the Bumps

Economics has been known as "the gloomy science" for over a century. In the days of Malthus and his lugubrious reasonings, the title was certainly apt, but it's beginning to look a little less appropriate than it was.

In the current Harvard Business Review, for example, Professor Sumner Slichter suggests that humanity may not be tied irrevocably to a cycle of boom and bust, that recent developments in the modern economy are bringing us toward a condition of stability, greater than we have known in the past. Instead of one business cycle, carrying everything and everyone up and down in its wake, he suggests, we now have a number of cycles which tend to offset one another.

Among the changes cited by Professor Slichter are the new methods of financing construction (through long-term insured mortgages, instead of short-term loans); built-in checks against declines in personal income (unemployment insurance, pensions, for instance); changes in the basis on which investment decisions are made (more long-term planning in business); and other current practices.

Slichter cites the spotty reaction to the recent recession in the United States as evidence on this point. Though some parts of the economy suffered, others came through unscathed.

All this makes anything but gloomy reading for a country as close to the American economy as we are.

Napier Moore's Scratch Pad

IT IS ONE THING to have a new house built while one is living in the old house, and quite another thing to have additions built on to the house in which one is living. For two months we have been in the latter situation, trying to function in a bedlam of noise and a blizzard of dust.

We were on the point of fleeing to a desert island when we met Lyle Torrey. Mr. Torrey's home is in Ridgefield, Connecticut, but he travels a great deal.

We were telling him about our building troubles when he grinned a broad grin. He said, "Building! Let me tell you about the trouble of an English chap I met in Chile and perhaps you'll feel better." And he went ahead and told us.

This Englishman had lived in Chile for more than 20 years. During his travels in that country he had picked as the place he would like to retire to a beautiful, if remote, spot in the neighborhood of Lago Ranco, reached by crossing a large lake. He acquired a piece of property there. And he got an architect to plan him a house. It was of "ranch house" design—low, long, rambling. And it was to contain a number of imported gadgets and comforts.

Knowing that he had to make a trip to England from May to September, and being anxious to have the building proceed during his absence, he consulted one Don Miguel. Don Miguel was the sort of squire, or seignior of the entire neighborhood. German-born, he had got his start as a trader. And he had flourished exceedingly, winding up by owning great stretches of countryside. He had built himself a sumptuous house; knew everything about contractors, native labor, and whatnot. Don Miguel not only recommended a contractor. He offered to keep an eye on the project during the Englishman's absence. The Englishman was grateful. He left one set of plans with the contractor and another set with Don Miguel, and departed.

He did not get back in September. It was January when he returned. And, as the boat drew near the shore of the lake he got the shock of his life. For on his beautiful property there stood what appeared to be a very high and very narrow lighthouse or grain elevator. Don Miguel had lost the set of plans left with him. The contractor had dropped his set of plans in the lake, and when they were fished out they were so stained and faded that he couldn't read them. So he went ahead with what he thought was the general idea and built the whole thing on end. Came the day when two large picture windows arrived. The contractor solved this problem by putting one in the kitchen and the other in a bedroom over the kitchen. And right across the middle of each picture window he built a flue for the heating system.

Mr. Torrey saw the atrocity, but he had to leave before he could find what the final outcome of the business was to be. He did gather that the English chap was very vexed.

* * *

DURING THE DEBATE in the British House of Commons on the death penalty, mention was made of the coincidence of Timothy John Evans and John Christie, both hanged for murder, both living in the same house. This sent London feature writers on the trail of other coincidences and reminded James Leasor, of the Express, of the extraordinary case of Thomas Hodges, now serving seven years for the manslaughter of his wife's lover. Hodges stumbled out of his home hardly knowing what he had done. A bus nearly ran him down. The driver, seeing his distress, stopped a passing ambulance. Hodges climbed in and then saw the ambulance's other passenger — the man he had just killed.

* * *

RENE MacCOLL, also of the Express, is covering the visit to the West Indies of Princess Margaret, and we have been interested in his reactions. For instance, he writes, "At some point in the history of Barbados there must have been a large party of energetic Scotsmen here, and consequently the local patois resembled someone trying to imitate the late Sir Harry Lauder while eating a piece of toffee."

MacColl isn't smitten with the velvet night of the Carribean. He says "The tropical splendor of the nights is unrolled against a background of perpetual noise. Dogs bark madly at the moon, cocks crow hours before the dawn, and there is a certain sort of bird that sounds like an ocarina being played by a man with a walrus mustache."

* * *

THERE IS IN TORONTO a man who shared our ups and downs for many years. We often used to chat with him about what was going on in the world and we welcomed his opinion because he meets a lot of interesting people. He is an elevator operator. We sent him a greeting recently and in reply he said "People don't realize just how much or how little they bring into the little old elevator when they go up and down."

Which reminds us of another elevator operator who told us that for ten years he had daily carried up and down a business executive who never uttered more than one word—"three." He never even said "Three, please."

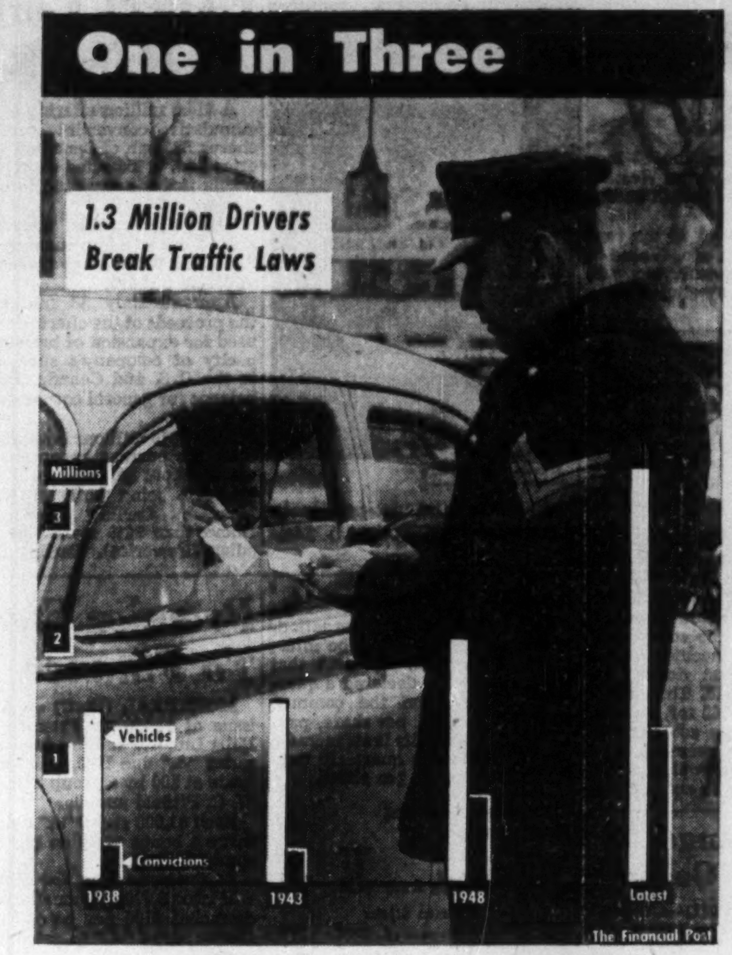
Stop Me If . . .

Smith assured his wife that he could repair the broken window. He took the measurements and went to buy the glass.

"Quite a simple job," the shopkeeper told him. "You simply pull out the old glass, put in the new, fill in the putty, and there you are."

In less than an hour Smith returned to the shop.

"Same size again, I suppose?" was the shopkeeper's greeting.



Post Scripts

An Old Family Custom

For two generations the grain trade Smith family of Winnipeg has been represented on the board of the Bank of Nova Scotia. The most recent one, Gordon Smith, was elected at the last annual meeting.

MR. SMITH

Smith is a big rangy man of 53 who looks a good deal younger. He has spent all his working days in the grain business and currently is managing director of the shipping and exporting firm of Smith, Vincent & Co. which was formed early in 1950.

He is one of the few in this business with extended experience in the marketing of grain both in the open market and through the government agency. He has had two spells with the Canadian Wheat Board, one as sales manager, the second as assistant to the chief commissioner.

Gordon Smith was born at Carberry, Manitoba, where his father worked for one of the early settlers who founded a grain and cattle business before the Canadian Pacific Railway line reached the town. In 1904 the family came to Winnipeg where young Smith got his public and high school education and part of a university course. That ended after three years when he started work with Smith-Murphy Co., a grain business founded by his father, Sidney T. Smith, in association with W. A. Murphy.

The firm carried on under its original name until 1927 when it became the Reliance Grain Co. Sidney T. Smith was a director of the Bank of Nova Scotia for 25 years before his death in 1947. The vacancy on the bank board was filled by election of Mr. Murphy, his long-time business associate. Mr. Murphy resigned soon after his 70th birthday last November because he believed anyone over 70 should resign and make way for someone younger.

Gordon Smith thus became the new director. He left the Reliance Grain Co. in 1935 to become sales manager of the Canadian Wheat Board. He came back to his old firm in 1937 and in 1939 switched again to the Wheat Board as sales manager, a position he held for five years.

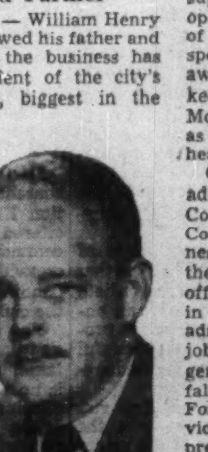
In 1944 he returned to the Reliance Grain Co. which in 1949 sold its 287 country elevators and two lakehead terminals and then liquidated the residue of its assets. After they were disposed of Smith organized his present firm.

Available time outside business interests is largely occupied with community work required as a director of the Winnipeg General Hospital, and in philanthropic and religious work of Elim Chapel, a non-denominational church in which his father had been active for many years. This is one of his main interests.

* * *

Realtor and Farmer

A Toronto realtor — William Henry Dobson — who followed his father and his grandfather in the business has been elected president of the city's Real Estate Board, biggest in the country.



MR. DOBSON

Born in Toronto, Dobson graduated from the university there in 1928 and then joined his father's business in the central part of the city. Five years later, he started his own real estate and insurance business at Yonge and St. Clair and has operated from there since.

In the past, he has held several important Board positions serving as a director and vice-president and as chairman of the finance and bylaws committee. He was also chairman of the building committee that bought and renovated the new offices opened in mid-February as the Board's new headquarters. He has been editor of "Listings," the Board's monthly publication and in 1952 was chairman of the committee which arranged the Toronto conference of the Canadian Association of Real Estate Boards.

While the Toronto board has traditionally steered clear of civic affairs, Dobson thinks it is time for a change in this policy. He would like to see it embark on a program designed to rid Toronto of its slum areas. First step in this ambitious project, he thinks, would be a survey the Board could conduct to assess the situation, determine how many people are in need of improved accommodation.

Mr. Dobson was married to the former Rita Cronin of Toronto in 1931. A son, 21-year-old Douglas Darcy, is working in the insurance business. The Dobsons live in York Mills on the northern edge of Toronto but have recently acquired a farm near Orangeville complete with a herd of Aberdeen Angus cattle.

This new interest has cut seriously into the time the new Board president has available for golf at the Lambton Golf and Country Club and thwarted last summer's plan of bringing his score down from the high 90s.

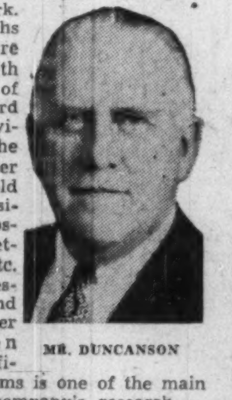
Dobson is also a member of the Toronto Cricket Club.

* * *

He Likes Paper Work

Paper work is a much-maligned but increasingly essential part of modern business as companies grow and their operations become more complex.

Thomas Sherriff Duncanson, recently appointed president of Moore Corp., heads a company whose operation is devoted almost entirely to paper work. About nine tenths of its sales are concerned with the supply of forms to record business activities. Most of the balance is paper boxes to hold products business sells — cosmetics, cigarettes, lighters, etc.



MR. DUNCANSON

The new president sees no end to all this paper work. Even though simplification of systems is one of the main aims of the company's research — better forms, fewer motions to record information, etc.—records will continue to be an essential part of efficient operation. As our economies grow, so will the demand for business forms.

Because of the nature of the business—a great many of the business forms are designed to fit specific systems in specific companies — Moore Corp. operates plants all over the U. S. and Canada. There are six in this country and 15 south of the border, including two paper box plants and a printing machinery plant.

Maintaining effective liaison and supervision over these widespread operations is therefore a major part of Duncan's job as president. He spends a considerable amount of time away from the Toronto head office, keeping tab on operations in the many Moore plants through personal visits as well as through normal reports to head office.

Outside of five years with the Canadian army and the Royal Flying Corps in World War I, the Moore Corp. chief has spent his entire business career with Moore companies or their predecessors. He started as an office boy in the old F. N. Burt Co. in Toronto, worked up through the administrative side in a variety of jobs, including company secretary, general manager of F. N. Burt at Buffalo, vice-president of Moore Business Forms Inc. (the main U. S. company); vice-president, then executive vice-president of Moore Corp. and now president.

Mr. and Mrs. Duncanson (the former Jean McGill) have one daughter, Mrs. Charles L. Walker of Philadelphia, and two granddaughters.

What Others Are Saying

Editorial of the Week

We Don't Need Paper Guarantees
Edmonton Journal

It is public opinion which is the true guardian of civil liberties. Where the people of a country understand and value such basic rights as freedom of speech, habeas corpus and trial by jury, and are ready to protest whenever they are denied—even to obscure individuals or unpopular minorities—these rights will generally be maintained from generation to generation—as they have been, for the most part, in the countries of the British Commonwealth. But when the public is indifferent, governments and officials can whittle away their freedoms without difficulty, no matter how firmly they may seem to be secured by the national constitution.

This is something which advocates of a Canadian bill of rights, to be incorporated in the British North America Act, never seem to understand. They would be better employed in educating the Canadian people to understand and appreciate, more than they do, their present heritage of freedom than in devising paper guarantees, which in an emergency usually turn out to have the strength of paper.

Other People's Views

DROP IN PRAIRIE FARM INCOME last year was not due to crop failure, says the **Fort Erie (Ont.) Letter Review**, but "the inability of Western farmers to get their wheat into elevators still plugged with 1952 and 1953 crops. In the first nine months of 1954, they delivered and so were paid for only 175 million bushels, less than half as much as in the first nine months of 1953."

MASS EVACUATION of cities is utterly impractical, asserts the **Calgary Herald.** "Wouldn't such a system of automatic mass evacuation make it possible for the enemy to create all necessary chaos and disruption without dropping so much as a fire-cracker. We respect those people who are sincerely trying to devise some means of civil defense, some answer to a truly awful problem. But, whatever the answer may be, if indeed there is one at all, we do not think this is it."

SUSPENSION of driver's licenses will be more real punishment than fines, thinks the **Windsor Star.** "This certainly is a way of getting at those who are a menace on the highways. Firstly, they take the guilty ones off the roads for a longer time. Secondly, they act as a deterrent to other drivers. Driving of an automobile is a part of our way of life on this continent. It comes almost as automatically as eating, sleeping and working. Many who would not complain much about a fine will think twice about the loss of driving rights."

AS IT SHOULD HAVE DONE long ago, remarks the **Victoria Colonist,** "the Canadian Parliament is about to adopt, experimentally, the British system of appropriating public money. There the annual budget is referred to a committee of the House which sits for long periods, studies all items at leisure and questions the appropriate officials. By this method the opposition can satisfy itself on every appropriation down to the last penny and every government department is constantly aware that any slackness in administration is liable to be exposed."

WE LIKE TRAIN trips across Canada, says the **Hamilton Spectator.** "We like those three days and four nights of living detached in a little world on wheels where nobody can get at us to bother us. We like the business of settling into a transcontinental sleeping car, which is much like the business of settling into a trans-Atlantic ship. We like watching the changing Canadian scene unwinding gently but inexorably past our window. We like the lulling mesmerism of rails receding behind the observation car to a prairie horizon, and the neck-craning majesty of mountains when viewed from their flanks."

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LABOR ROUNDUP By JACK McARTHUR

Strong Opposition, Weak Voice

The Case Against Legislating Equal Pay For Women

There's a massive unvoiced reluctance to the passing of legislation giving women the same pay as men for comparable work.

Few quarrel with the principle. Like opposition to sin, preservation of the family unit and a chicken in every pot, it's wonderful.

But the difficulty of taking the principle and turning it into a workable no-loophole law has proved to be a tough, thankless—and, some think, hopeless — job.

Latest evidence of these practical troubles lies in the Liberal Party's opposition to an equal pay bill in The Commons and in scattered criticisms of the "unworkability" of the Ontario equal pay law.

Since opposition to equal pay legislation is unpopular, often misunderstood and misrepresented, it's rarely voiced. But it exists in varying degree in government, management and labor. That's why there is often a surprising lack of official support from these groups for equal pay legislation; and why North America has comparatively few equal pay laws.

Here are some of the little-heard but sincere contentions behind this seeming coolness toward a good principle:

—Legally, it's difficult to determine whether women are doing "comparable" work. This is particularly true where intangibles, such as exercise of responsibility, are involved.

—Even when comparable work is defined, it's hard to decide whether a differential in pay is due to a difference in abilities.

—In some isolated cases where there is discrimination against women in wage rates, an equal pay law could result in a shutdown of operations because of higher labor costs. Then the women would have no jobs at all.

—The most powerful weapon against wage discrimination is not a law which won't work but the development of a strong resistance among women to accepting lower wages.

—Unions are providing a powerful agency in getting equal pay for women.

A government official with wide knowledge of equal pay law says bluntly: "From a practical view, it can't be enforced."

Those who support equal pay laws have what they consider a good answer to this view. They say a law which can't be enforced is better than none at all since it at least expresses the principle officially and legally.

* * *

UAW Gathering Key Labor Meet

One of North America's more significant labor meetings will be in Cleveland, O., March 27-April 1.

Some 2,500 United Auto Workers Union delegates (150 from Canada) will meet in Ohio's biggest city. All North American labor and management will be watching, because:

—The finishing touches and final emphasis will be put on the Union's demand for a guaranteed annual wage in the auto industry.

—The convention will pass upon the proposal to triple monthly dues in order to build a huge strike fund.

—President Walter Reuther—also president of the CIO — will tell his union, the biggest in North America, why he thinks the CIO should merge with the larger and often less vigorous AFL. It will be Reuther's first report to a CIO union since announcement of the merger plan.

Canadian Regional Director George Burt likely will be re-elected.

Burt's Canadian lieutenants met in Windsor last week end and affirmed their ambitions for GAW plus wage and fringe increases this year.

The difficulties of integrating Canadian unemployment insurance with GAW featured discussions (The Post, Feb. 19). Present law would disqualify from insurance benefits any unemployed worker receiving more than $2 day — and GAW envisions considerably more than that.

UAW wants the law changed so a worker can draw GAW and unemployment insurance up to the full amount of his usual take-home pay. It would like to enlist the automakers in support of this objective. But the Federal Government — which has been silent on the subject — isn't expected to like the idea of paying benefits to workers who are drawing a lot of money from another source.

Other unions may not like it either.

* * *

Profit Sharing Pot Bulges At Dofasco

Dominion Foundries & Steel Ltd. employees now have total credits of $14.5 millions in the company's saving and profit sharing fund. That's an average of some $5,000 per member. Almost all Dofasco employees are members.

The fund's share of 1954 profits — which were 20% lower than in 1953 — was a little more than $1 million. Employee contributions (no employee may contribute more than $150 yearly) in 1954 were $391,000; the fund's earnings were $549,000. Members terminating employment withdrew $333,000 from the fund.

* * *

Labor Briefs

Some 25 employees in Hamilton's Eaton Knitting Mill are working under a contract aimed at boosting production, guaranteeing work. Members of the CIO-CCL Textile Workers Union are working for lower piece rates but with increased quotas. If the higher quotas are met, take-home pay will continue the same. In return for this concession, the workers get a guarantee of 50 weeks' work in the 12-month contract period.

* * *

As expected, Ford of Canada's 1,500 UAW-organized office employees settled on terms closely resembling the 11.25c package given the plant workers. They got salary boosts of $6.93 monthly, company-paid medical and hospital coverage, the right to move with their jobs if Ford moves operations from Windsor.

* * *

Workmen's compensation costs are going up. A federal survey shows that four provinces last year in various ways boosted the cost of compensation: Quebec hiked benefits for widows and children and raised from $3,000 to $4,000 the maximum yearly earnings taken into account for compensation; B. C. raised the disability compensation rate from 70% to 75% and the annual earning limit from $3,600 to $4,000; Ontario decided to spend up to $200,000 annually on rehabilitation instead of $100,000; Nova Scotia brought hotels, restaurants and stores under its act.

B.C. Premier Defends Stand On Boundary Water Program

By PETER NEWMAN

VICTORIA (Staff) — The B. C. Parliament building is a grey eminence standing at the end of a placid, shrub-lined pathway, where the City of Victoria begins to fade off into its drowsy suburbs. In a beige-carpeted first floor office, I talked with Canada's most persistent optimist.

He is William Andrew Cecil Bennett, the former Okanagan Valley hardware merchant who has revised the Social Credit creed. Premier Bennett smiled:

"We are the last Government in Canada to give this country's resources away," he told me. "Ottawa is full of fair-minded people and I am convinced they will eventually regard the proposed Kaiser development on the Columbia River in its proper light."

"My Government's deal with the Kaiser organization was one of the best agreements ever negotiated by any government in Canada," he asserted. "It's the first time that the U. S. has accepted the principle that this country is entitled to reserving downstream benefits from a power development on U. S. soil.

"It's much better than any 50-50 proposition, where one party puts in the dams and the other installs generators. Under the current, plan, Kaiser pays for both and this Province gets plenty of power as well as tax revenues. For B. C., this project will mean the cheapest power in the world."

Mr. Bennett seems to feel that little would be gained by his appearance before the House of Commons Committee investigating the Castlegar, B. C. scheme. It looks now as if the hearings will not include an official B. C. representative.

He claims his main area of disagreement with Ottawa is lack of permanent machinery to discuss federal-provincial problems.

"There should be increased cooperation, not just a meeting every five years. We want Ottawa to join with us in formulating public investment policies; we don't want to just act as a collection agency . . . both levels of government have equal rights . . . all the spending power should not be narrowly concentrated . . . taxes should be collected and spent jointly."

He carefully points out that B. C. is not questioning the federal policy of fiscal aid to less favored provinces, but says these payments should not be charged to provincial revenue. They should be made from taxation for that specific purpose.

"The major financial burden for the protection, conservation and development of natural resources is borne by the Province, yet the main tax gains derived from economic expansion are mainly enjoyed by Canada," he says.

"Provincial funds spent on natural resource development are in every sense capital investments with a hope of profit to the investors. But under existing federal-provincial relations, the senior partner so far has failed to participate in that investment, but enjoys the lion's share of the profit."

Union Acceptance Pref. Issue Sold

Bankers Bond Corp. has sold a second offering of 78,000 Union Acceptance Corp. participating non-voting second preference shares npv at $11 per share to yield 5.45%.

The shares are non-redeemable and entitled to noncumulative dividends of 60c per share per annum, payable quarterly, in priority to any dividends on the common shares. The shares rank junior to the 6% cumulative first preference shares, $20 par, and the 60c cumulative redeemable sinking fund preference shares $9 par. The 60c preference shares have been called for redemption April 1, 1955.

After dividend payments of 60c on both common and second preference shares, second preference shares are to rank equal to common shares as regards further dividend payments.

Company has undertaken not to pay any dividends on the common shares or to distribute assets to shareholders unless four consecutive quarterly dividends to second preference shares have been provided for, and second preference share equity remains over $10 per share outstanding.

No further second preference shares will be sold at under $10 per share.

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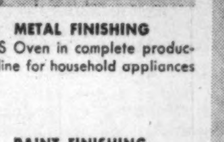
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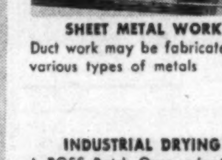
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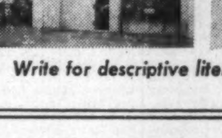

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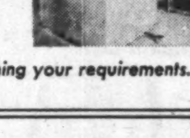

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Word of "gold in the Klondike" first reached the world in '97. The rush to the Yukon began that summer. Thousands of men and a few "hardier" women blazed the "Trail of '98." Many died on the way . . . others reaped fortunes in Yukon gold.

Today, there's word of a new rush for a new kind of "gold" in the Klondike—of riches beyond the dreams of the intrepid prospectors of '98.

This new wealth will come from the waters of the Yukon River . . . a potential source of enough electrical power to build a billion-dollar metallurgical empire on the shores of the Pacific. Plans are laid to develop 4.3 million horsepower in less than ten years—better than one-quarter of the generating capacity in all of Canada in 1954. When the dams, power houses, smelters and refineries are finished, millions of tons of metal ores from every corner of the Pacific Ocean will be processed for the markets of the world.

Engineers will dam the Yukon below Dawson. The River and its tributaries will be backed-up to submerge its ancient flood plain . . . to build a head of water in its upper watershed. Tunnels through the mountains, from the south end of Atlin Lake, will carry the water to power plants on the Sloko and Nakonake Rivers. The electric power will be delivered to smelters and refineries to be built at Taku, 45 miles away on the B.C.-Alaska border, and 20 miles from tide water.

Projects like this recall the feats of the Klondike Sourdoughs, equal the grandeur and strength of The River, and typify the men who have opened the treasure chests of the North.

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Crown Life Appointment

R. C. Dowsett, F.S.A., whose appointment as an Assistant Actuary has been announced by the Crown Life Insurance Company.

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BUSINESS EXPENSES

Ottawa Draws Tough Tax Line

Accountants, Lawyers Want Broader Definition

What constitutes a legitimate business expense?

Business and the tax collectors have some difficulty in reaching an agreement on the definition.

As one step toward clarification, a joint brief of chartered accountants and lawyers has urged that tax legislation should be amended to broaden the concept of "legitimate business expense."

The brief was presented last week to Finance Minister Harris and Revenue Minister McCann by the Canadian Institute of Chartered Accountants and the Canadian Bar Association.

Actual tax on income now is often higher than the nominal rates indicate, the brief contends, because the Income Tax Act does not allow a number of legitimate expenses necessary in carrying on a business.

Some of these expenditures not now allowed include:

—Legal and other costs, including professional fees incurred in carrying a successful appeal against taxes assessed;

—The costs of obtaining a loan other than the interest cost;

—The cost of acquiring or protecting a franchise which, though having a life shorter than the life of the business, is not limited to a definite period in the document which gives rise to it.

The lawyers and accountants contend that in calculating business profits, these expenses should be taken into account in the year in which they are made.

Amounts prepaid for goods and services should be included in computing profit of the year in which they are earned rather than compelling them to be included in the year in which they are received, the brief this year again held. The 1954 revision to the U. S. Internal Revenue Code recognized this problem, and brought U. S. law more in line with sound business accounting practice, it was pointed out.

Other suggestions included:

A taxpayer under the present Act may not be aware of what documents have been filed with the Income Tax Appeal Board by the tax department. A copy of the assessment and all relative material should be filed with the Board immediately after receiving notice of appeal, and the taxpayer should be notified that the material has been filed.

A more generous attitude should be taken in regard to the cost of appeals before the Supreme Court. It is of paramount interest to all citizens that important questions of principle be decided by the highest authority in the country. Where a taxpayer succeeds in a tax appeal in the Exchequer Court, the Crown should bear the costs of the taxpayer in the Supreme Court of Canada if it desires to appeal.

Beneficiaries of a farmer or fisherman should not be penalized by forbidding the averaging of his income for a period of less than five years.

The Act should be amended to give effect to the original intention of Parliament — that the taxpayers not required to pay interest beyond one year because of failure of the Department of National Revenue to assess the return within one year of filing.

The Excise Tax Act should have an appeal procedure provision similar to that in the Income Tax Act. The term "sales price" in this Act should be defined more accurately.

The recommendations involve more than 20 changes in federal tax statutes altogether.

List Depletion Rates For Investors' Income Taxes

With the deadline for personal income tax just over two months away, the Toronto investment firm of Gairdner & Co. has compiled lists which give the investor information that should facilitate claiming depletion allowances.

"Some investors do not take advantage of permissible depletion allowances primarily because there are no official lists of stocks whose dividends qualify and which show the permissible rate in each case," notes this handy booklet.

Similarly, it may be difficult in some cases to decide if a Canadian company's dividends are eligible for the 20% tax credit on individual income tax. For example, dividends of Distillers Corp.-Seagrams Ltd. are eligible although 90% of its operations are in the U. S., but dividends of Brazilian Traction are not eligible for the 20% credit because this Canadian company pays income tax to a foreign country. Some dividends, such as International Nickel's, are paid in U. S. funds but are still allowed the tax credit.

Shareholders of mining companies and of producing oil and gas companies can deduct depletion allowance from dividend income. This allowance is set by the portion of net profit which may be construed as mineral profits, and does not necessarily remain constant.

If the company carries on business in Canada and mineral profits are between 25% and 50% of its income, the depletion allowance is 10%. The allowance rises to 15% if mineral profits are between 50% and 75% of the company's income, and to 20% if the mineral profits are more than 75% of net income.

Here is the Gairdner & Co. compilation of securities listed on the Montreal, Toronto and Canadian stock exchanges, whose dividends are eligible for depletion allowances.

Shares of companies whose dividends are eligible for depletion allowance as indicated:

	Deplet. Allow. %
Acme Gas & Oil Co. Ltd.	20
Alta. Pacific Cons. Oil Ltd.	20
American Nepheline Ltd.	20
Anglo-Huronian Ltd.	20
Asbestos Corp. Ltd.	20
Aunor Gold Mines Ltd.	20
Barymin Co. Ltd.	20
Belleterre Quebec Mines Ltd.	20
Broulan Reef Mines Ltd.	20
The Calgary & Edmonton Corp. Ltd.	15
Campbell Red Lake Mines Ltd.	20
Castle-Trethewey Mines Ltd.	
Jan. 4th div.	nil
Dec. 20th div.	10
Central Explorers Ltd.	20
Commoil Ltd.	20
Consolidated Discovery Yellowknife Mines Ltd.	20
Consolidated Mining & Smelting Co. of Canada Ltd., Jan. 15th div.	20
July 15th div.	15
Delnite Mines Ltd.	20
Dome Mines Ltd.	20
East Malartic Mines Ltd.	20
East Sullivan Mines Ltd.	20
Falconbridge Nickel Mines Ltd.	20
Fenimore Iron Mines Ltd.	20
Giant Yellowknife Gold Mines Ltd.	20
Hallnor Mines Ltd.	20
Hollinger Cons. Gold Mines Ltd.	20
Hudson Bay Min. & Smelt. Co. Ltd	20
Hugh-Pam Porcupine Mines Ltd.	20
Internat. Nickel Co. of Can. Ltd.	20
Internat. Petroleum Co. Ltd.	15
Investment Foundation Ltd.	10
Kerr-Addison Gold Mines Ltd.	20
Lake Dufault Mines Ltd.	20
Lake Shore Mines Ltd.	20
La Luz Mines Ltd.	15
Lamaque Gold Mines Ltd.	20
Leitch Gold Mines Ltd.	20
Macassa Mines Ltd.	20
Madsen Red Lake Gold Mines Ltd.	20
MacLeod Cockshutt Gold Mines Ltd.	20
Malartic Gold Fields Ltd.	20
McIntypre Porcupine Mines Limited —Jan. 4th div.	15
March, June, Sept. & Dec. div.	10
The Mining Corp. of Canada Ltd.	20
New Dickensen Mines Ltd.	20
Noranda Mines Ltd.	20
Normetal Mining Corp. Ltd.	20
O'Brien Gold Mines Ltd.	20
Pacific Petroleums Ltd.	20
Pamour Porcupine Mines Ltd.	20
Pato Cons. Gold Dredging Ltd.	15
Pend Oreille Mines & Metals Co.	15
Preston East Dome Mines Ltd.	20
Quemont Mining Corp. Ltd.	20
Renabie Mines Ltd.	20
Royalite Oil Co. Ltd.	20
*Resources of Can. Invest. Fund Ltd.	15
San Antonio Gold Mines Ltd.	20
Silver Standard Mines Ltd.	20
Stadacona Mines (1944) Ltd.	20
Sigma Mines (Quebec) Ltd.	20
Sullivan Consolidated Mines Ltd.	20
Sylvanite Gold Mines Ltd.	20
The Teck-Hughes Gold Mines Ltd.	20
United Keno Hill Mines Ltd.	20
Upper Canada Mines Ltd.	20
Ventures Ltd.	20
Waite Amulet Mines Ltd.	20
Wright-Hargreaves Mines Ltd.	20
Yellowknife Bear Mines Ltd.	20
Yukon Cons. Gold Corp. Ltd.	20

*Not listed on Canadian Stock Exchanges.

Securities listed on Canadian Stock exchanges whose dividends are not eligible for 20% income tax credit are shown in the following list.

Shares of companies whose dividends are NOT eligible for 20% Income Tax Credit:

Admiral Corporation
American Cyanamid
Andian National Corp. Ltd.
Associated Telephone & Telegraph Co.
Brazilian Traction, Lt. & Pwr. Co. Ltd.
Brown Company
Canadian International Invest. Trust. Ltd.
Celanese Corporation of America
Continental Can. Co. Inc.
*Detroit & Can. Tunnel Corp.
*Detroit International Bridge Co.
Dominion & Anglo Invest. Corp. Ltd.
Electrolux Corporation
Fanny Farmer Candy Shops Inc.
General Dynamics Corporation
General Motors Corporation
Goulds Pumps Inc.—pfd.
*Gt. Britain & Can. Invest. Corp.
Hudson's Bay Company
Hydro-Elec. Securities Corp.
International Holdings Ltd.
International Milling Co.
International Paper Co.
International Petroleum Co. Ltd.
International Power Co. Ltd.
International Utilities Corp.
Jamaica Public Service Ltd.
Johns-Manville Corp.
La Luz Mines Ltd.
Loblaw Inc.
London Canadian Investment Corp.
The Mexican Lt. & Pwr. Co. Ltd.
Minnesota & Ontario Paper Co.
National Lead Co.
*Pacific Atlantic Cdn. Invest. Co. Ltd. (1)
Pato Cons. Gold Dredging Ltd.
Pend Oreille Mines & Metals Co.
Pittsburgh Plate Glass Co.
Placer Development Ltd.
Pressed Metals of America Inc.
South American Gold & Platinum Co.
Standard Brands Inc.
*Supervised American Fund
United Corporations Ltd.

*Not listed on Canadian Stock Exchanges.

(1) Formerly—Second Canadian International Investment Co. Ltd.

A recent Bill (43) to amend the Quebec provincial income tax act proposes that "any taxpayer has the right, for each taxation year, to deduct from his tax payable under this Act, an amount equal to fifteen percent (15%) of the credit for dividends which he may claim, for the same year, under the Federal Income Tax Act in force on the first of January 1954." It is believed that this amendment will be passed, states the pamphlet.

Although Gairdner & Co. does not represent these lists as complete or official, they have been compiled from recognized sources and conversations with income tax officials.

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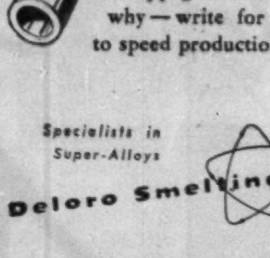

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M-H-F Sees Demand Up From Farms, Defense Off

There are signs of a modest upturn in the North American farm implement industry and an improvement in sales can be looked for in the second quarter, James S. Duncan, chairman and president, told the Massey-Harris-Ferguson annual meeting.

Results in the U. S. will be affected by termination of the company's defense contracts next month, however, Mr. Duncan added.

Eastern hemisphere conditions remain buoyant and further improvement is expected in the United Kingdom, Europe and the majority of export markets served by the company's European plants.

This year will again be difficult, but the organization will be further strengthened. Manufacturing facilities will be increased in North America, U. K., France, Germany and Australia.

Vast engineering programs will be carried forward, the chairman said, and the company will continue to bring into company plants the manufacture of Ferguson machines and equipment still made by subcontractors. Problems in connection with absorption of the Harry Ferguson organization are now largely behind, and benefits flowing from the amalgamation have surpassed highest expectations, Mr. Duncan said.

Acquisition of all outstanding shares of H. V. McKay Massey-Harris Pty. in Australia is regarded as another important step in rounding out the company's world position and influence. The Australian plant is only slightly smaller than the Toronto one which is the largest of all company factories.

Bell Ready to Microlink Toronto-'Peg TV in 1956

Within the next few days the CBC is expected to announce granting of a contract to carry television broadcasts between Toronto and Winnipeg.

It will be the next step toward a coast-to-coast TV hook up. A leading contender in the contract race is Bell Telephone Co. of Canada. At present it handles U. S. television relays into Toronto from Buffalo for the CBC and carries the Toronto broadcasts to Ottawa and Montreal in the east and Windsor in the west.

The other leading contenders are the railways. They have tenders before the CBC. But a spokesman for Bell told The Post that if the railways receive the contract they will probably contract out to Bell for the actual sending of the message.

This is because Bell plans to be the first company capable of the operation. Work is under way at present on a 44-tower microwave chain between the two cities. It is of similar design to their chains already operating in the east. The summer of 1956 is the soonest engineers believe the work can be finished and the service working.

Vancouver Next?

Other tests are being carried out on extension of the chain westward to Vancouver. Principal reason behind it is to improve the trans-Canada telephone service. Once the microwave chain is completed it can carry 600 phone calls at once—or 300 plus a television broadcast.

At present progress is slowed down by the need to have each tower in sight of the next one. This has meant that in flat areas towers can seldom be more than 30 miles apart. But a new version has appeared on the scene.

For reasons of defense it was decided a few years ago to build a new communication chain across Canada. Its use was to be limited to the military. During its building a new system of microwave transmission was tried. Despite the unlikely name, Tropospheric Scatter, it proved a great success. It enabled messages to be sent over the horizon.

At present the new equipment is too expensive for civil use, but further development later may make it possible to use it in the later stages of building the coast-to-coast line.

Lower Prices, Enlarge Stage For Stratford's Third Season

No fund-raising campaign will be held by the Stratford (Ont.) Shakespearean Festival this year. The 1955 season is to be financed through funds built up in the two previous summer seasons and through current ticket sales.

"Advance enquiries for tickets have been extremely good," said Mary Jolliffe, Festival publicity director. First mailing of a preliminary announcement of the 1955 program last month produced 2,255 enquiries within 10 days—20% asking for tickets. Ticket sale begins in March.

Both maximum and minimum prices have been lowered for the 1955 season. Last year's $6 seats, which sold slowly, have been eliminated to provide more stage space. Top price this year will be $5.

An innovation this year will be rush seats, to be sold at 75c on the day of the performance. These will be located along the two side walls of the pie-shaped theatre. Last year's minimum was $1.

This season's plays are Julius Caesar, with Lorne Greene and Douglas Campbell; The Merchant of Venice, with Frances Hyland and Frederick Valk; and a return engagement of last year's production of Oedipus Rex, with Eleanor Stuart and Donald Davis.

Eight performances will be given weekly, from June 27 to Aug. 27.

Music Added

A four-week music festival, from July 9 to Aug. 6, will be presented this year in conjunction with the Shakespearean Festival. Featured will be the Hart House orchestra under Boyd Neel, dean of Toronto's Conservatory of Music; Elizabeth Schwarzkopf, soprano; and Isaac Stern, violinist. Music director of the festival is Louis Applebaum, Canadian composer.

Concerts and recitals will be held in the Casino, on the banks of the Avon river. Plays will again be presented in the concrete-and-canvas Festival Theatre, housing an audience of 2,000.

Canvas roof and walls of the theatre will be erected toward the end of March in Stratford City Park by tentmaster Skip Manley and 50 riggers. Now in its third season, the tent has a life expectancy of six or seven years. Eventually it is to be replaced by a permanent theatre building.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

WESTERN PLYWOOD CO., Vancouver, consolidated net profit for the fiscal year ended Oct. 31, 1954, was $486,731, 22.6% lower than previous year's net of $628,701.

With volume about the same as in 1953, the company produced about 15% of plywood made in Western Canada, reports President John Bene.

In December 1953 fir sheathing plywood, which accounts for half the company's output, dropped 15% in price. Only uninterrupted capacity operations in both plants, technological advances and profits of the new Quesnel sawmill, enabled the company to approach previous year's earnings, Mr. Bene states.

The company recently opened a warehouse in Winnipeg.

The 1954 coast labor contract provided for some increases to maintenance workers and more paid holidays for all. A 3½c per hour "across the board" wage increase went into effect last September at Quesnel.

The outlook for the current year is favorable, Mr. Bene states. Extensive building and home remodeling coupled with the substitution of plywood sheathing for sheathing lumber has favored the industry. Sheathing is expected to account for over 50% of all West Coast plywood output in 1955, says Mr. Bene.

Further opportunities are being provided the fir plywood industry by the re-opening of the British market, Mr. Bene states.

CONSOLIDATED INCOME ACCOUNT

Years Ended Oct. 31:	1954	1953
Sales	$7,800,000	$8,682,176
Net earnings	1,387,178	1,465,377
Less:		
Bond int. & exp.	15,146	14,610
Other int.	42,715	80,636
Fees re cap. incr.	......	675
Organ. exp. w/o	......	1,881
Deprec.	406,425	336,565
Inc. taxes	449,000	404,000
Add: Prof. re f.a. & invests.	2,839	1,781
Option not exercised	10,000	......
Net profit	486,731	628,701
Less:		
Class A divds.	40,000	40,000
Class B divds.	175,109	46,200
Surplus for year	271,622	542,501
Earnings per share and Dividend Record:		
Class A	$6.08	$7.86
Paid	0.50	0.50
Class B (new)†	1.27	1.68
Paid	0.50	....
Class B (old)	....	....
Paid	....	0.25

†Class B shares split on 2-for-1 basis October, 1953.

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1954	1953
Cash	$397,246	$701,978
Accts. rec. less res.	909,829	872,143
Inventories	1,064,408	864,300
Total curr. assets	2,371,483	2,438,421
Prepaid exp.‡	16,628	9,204
Misc. assets	117,388	108,464
Fixed assets*	2,591,626	2,515,957
Total assets	5,097,293	5,072,046
Bk. loans & overdraft	209,124	191,592
Accts., tax, etc., pay.	822,567	954,247
Instalments pay.	145,000	151,500
Total curr. liab.	1,176,691	1,297,339
Mortgage pay.	712,500	750,000
Timber pur. agree.	300,000	250,000
Funded debt	150,000	200,000
Capital stock	686,213	674,233
Surplus	2,071,991	1,800,369
*After depr. of	1,953,303	1,617,180

‡Included in curr. assets in co's report.

ANNOUNCEMENT

T. G. FERRIS F. C. OAKES

In a move necessitated by the growth and expansion of business Mr. A. W. Bruce, Vice-President and General Manager, Household Finance Corporation of Canada announces the separation of the Public Relations and Advertising Departments, formerly under the direction of Mr. T. G. Ferris. Mr. Ferris becomes Director of Advertising and Mr. F. C. Oakes, formerly Public Relations representative in the Province of Quebec and Maritimes, becomes Director of Public Relations with headquarters in Toronto.

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HOW TO CUT COSTS WITH PLASTICS

Large Textile Mill Reports

$10,700 ANNUAL SAVINGS

By using molded plastic bobbins in place of the old-fashioned wood-and-metal type, this manufacturer of woollens and worsteds, now saves $10,700 a year.

The wood-and-metal bobbins broken each year were replaced by plastic bobbins until last year the change-over was completed. Their annual breakage has dropped from 30,000 to 5,000. Here's how they estimate their savings:

Wood-and-metal bobbins - - - - 30,000 @ .42 - $12,600
Plastic bobbins - - - - - - - - 5,000 @ .38 - $ 1,900
SAVING - - - - - - - - $10,700

In addition the new bobbin increases production by reducing yarn breakage and eliminating rejection of yarn due to metal contamination.

In practically every branch of Canadian industry plastics have established similar savings and product improvement. Our Plastics Advisory Service, working with your engineering staff, may save you money, too. Contact G-E Plastics Advisory Service, Canadian General Electric Co. Ltd., Cobourg, Ont.

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Unique New Mutual Fund Offers 'Tax Deferment'

MONTREAL (Staff) — Each shareholder of a new Canadian mutual fund to be launched soon will be able to take income from his investment exactly when he chooses.

The idea—built into a public fund for the first time—forms the main selling point of Supervised Executive Fund (1955) Ltd., sponsored by Supervised Investment Ltd. of Montreal. Shares are expected to be offered at $31 apiece through brokers and investment dealers across the country.

Backers hope the new feature will appeal especially to upper income bracket men who, from a tax angle, might like to defer receipt of income for a period of years. It's modeled partially on the new Canadian-incorporated mutual funds whose shares are sold only in the U. S. and who plow back all interest, dividends and profits, paying no cash dividends.

"At present," Executive Fund's managing director, John C. Rogers, tells The Post, "A Canadian investor can save up his bond coupons and cash them in the tax year which suits him best. But up to now it's been mechanically impossible to do this with dividends.

"If a man could defer income to, say, retirement, it would be a great advantage to him. That's what our new plan—which we've been working on since last November—will allow him to do."

How It Works

Here's how it will work:

A buyer gets Executive Fund stock now for $31 a share, of which $30 goes to the fund. All earnings will be reinvested, so the fund's earned surplus will grow. And this growth will be reflected in the price of the shares.

If the fund earns, say, 5% in its first 12 months of operation—and assuming for the sake of simplicity that the market value of its portfolio increases by $2.00 per share —value at the end of the first year will be $33.50.

Of that, $30 will be original capital, $2 will be tax-free capital gain and $1.50 will be accumulated earnings.

If the buyer then wants to redeem his shares, he can do so. He'll get back $33.50—the net asset value per share — along with a statement showing that $32 of this is non-taxable capital and $1.50 is taxable income.

But he can also hold onto his shares—for five, 10, 15, 20 years—as long as he wants. And again, whenever he does decide to redeem he'll pay income tax on the portion of the redemption price which represents accumulated earnings. Thus he can pick the year for sale which best suits him. Maybe after retirement, when he moves into a lower income tax bracket.

This is the heart of the plan. But its very advantages created two vital problems. Each had to be solved, and each created another unique feature for the new venture.

1. Because Executive Fund's earnings will be accumulated, anybody buying stock after, say, the first year would also be buying a tax liability. Eventually, when the buyer decided to redeem his shares, he would have to pay income tax on earnings accumulated prior to his purchase.

Thus few people would be interested in buying shares after the first year. To solve this problem, stock of Supervised Executive Fund (1955) Ltd. will be offered only in 1955. Next year, plans call for a new company, called Supervised Executive Fund (1956) Ltd., to be formed, to start again from scratch with no accumulated earnings. And so on in subsequent years.

2. Because shares will only be offered for one year, each fund is slated eventually to die. Its net asset value per share would increase—through compounding of income and potential capital growth—but its total assets can only get smaller, as shares are redeemed over the years.

Under normal circumstances, this could mean two things: a rising expense ratio as the cost of managing the fund was spread over a steadily shrinking volume of assets; and an investment portfolio which would gradually have to become less diversified.

To solve this second problem, Supervised Executive Fund will invest nearly all its money in three other mutual funds managed by the same group: Supervised Income Fund, Supervised Growth Fund and, to a minor extent, Supervised American Fund.

Each of these three others has a no-load feature—no commission is payable by the buyer when he purchases their "participation units." In addition, their management cost is based solely on the daily value of their assets. Thus, it's figured, Executive Fund's ratio of expenses to capital will be constant no matter how many shares it has outstanding. And it will always, indirectly, have a well-diversified portfolio.

The proportion of assets to be invested in each of the three is yet to be decided. However, it will likely work out to about 80% in supervised income and 10% in each of the other two.

The Potential Market

Managing Director Rogers figures the big attraction of the new fund will be in the upper income groups—men earning enough to make the opportunity of deferring receipt of income until later years worthwhile. He's not shooting for the mass market at which most mutual funds are aimed, because the idea does not have mass appeal. Here are some of the sources he hopes to tap:

—Salaried executives who would like to receive such income after retirement when their income tax bracket is lower.

—Men whose income varies sharply from year to year, and could thus accumulate shares without increasing taxable income in high-profit years, then redeem them in low-profit years.

—Those making gifts to cut succession duties after they die. If the recipient is under 19 or is the wife of the donor, the donor is still liable for taxes on the income from the gift. But by using Executive Fund shares, the income —and the corresponding tax—can be deferred until such time as the donor would no longer be liable to tax thereon.

— Self-employed professional men wanting to build a pension plan for themselves.

—Wealthy investors planning bequests to charitable institutions. During the investors' lifetime, the taxation on share earnings is deferred, allowing the donor to reduce his taxable income without losing control of his capital. Subsequent redemption of the bequest by the charitable institution involves no taxation on its part.

Executive Fund will elect to become a tax-paying investment company, which means, of course, that it will be liable for income tax. But most of its money will be invested in stocks of other Canadian tax-paying corporations. And the law says that no income tax is levied on dividends received by one tax-paying Canadian corporation from another. Result: Executive Fund will actually be paying little or no income tax.

Officers and directors are as follows: L. A. Forsyth, chairman (president, Dominion Steel & Coal Corp.); H. C. Flood, president (partner, Flood & Co.); E. M. Little, vice-president (president, Anglo-Canadian Pulp & Paper Mills); J. M. Breen (president, Canada Cement Co.); H. J. Carmichael (president, Conroy Manufacturing Ltd.); J. G. Porteous (partner, McMichael, Common, Howard, Ker & Cate); Jean Raymond (director, Alphonse Raymond Ltée.); J. C. Rogers, managing director (president, H. C. Flood & Co.).

Authorized capital includes 499,900 common shares, par value 10 cents; and 100 deferred shares, par 10 cents. To Feb. 14, 3,500 common shares had been issued for $105,500.

Donalda To Drill Further Anomalies

Two anomalies discovered in an air survey of the property of Donalda Mines are now slated for drill testing, President C. Douglas Cameron states in a progress report to shareholders.

One anomaly was located over a small lake to the north of Donalda's gold producing operations. The other was found in Osisko Lake in the southwest corner of the property.

Two drill holes are to be put down on the north anomaly and one hole on the south anomaly with drilling to commence immediately.

A seventh drill hole has been put through the new No. 2 vein returning an intersection of 0.238 oz. gold over 4.0 ft. at a location 460 ft. vertically below the 1,260-ft. level. Two holes are now advancing to cut the No. 2 vein in the rhyolites. Drilling is stated to have so far indicated 200,000 tons in No. 2 vein averaging 0.206 oz. gold over 5.02 ft.

Production and cost-aid received in 1954 totaled $913,212 as compared with $888,762 the previous year.

New Service Links Gt. Lakes, Europe

MONTREAL (Staff) — A new fast and frequent cargo service linking Great Lakes and St. Lawrence River ports with the Mediterranean was announced here this week.

Operators say the service is an indication of what Great Lakes shippers might expect when the St. Lawrence Seaway is completed.

The weekly service to begin after opening of navigation this year will combine ships from the Fabre Line of Marseilles and the Ellerman Line of Liverpool. It will be known as the Ellerman-Fabre Joint Service.

Sailings will be between Sarnia, Hamilton, Toronto, Montreal, and Portugal, Spain, North Africa, Italy and France. They will be made by a fleet of 11 fast, modern vessels, made up of eight Fabre Line ships and three Ellerman.

The first westbound sailing will leave Marseilles March 24, returning on the first eastbound sailing, leaving Montreal May 12.

Canadian agents for the joint service are McLean Kennedy, Ltd., Montreal, representing Ellerman Lines, and Saguenay Terminals Ltd., Montreal, representing Fabre Line.

Call Tenders On 4 Seaway Dredging Jobs

MONTREAL (Staff) — The St. Lawrence Seaway Authority has advertised bids for four new dredging contracts for work in the Lachine sector of the Seaway project.

The tenders must be submitted by March 14. Specifically, the bids are for work in:

—Lake St. Louis dredging 3.8 million cu. yd. of overburden and 100,000 cu. yd. of rock.

—Lancaster Bar section of Lake St. Louis dredging 600,000 cu. yd. of sand, silt and clay.

—Fraser Point toward Cornwall, removing 2.7 million cu. yd. of overburden.

—Lake St. Francis approach to the Beauharnois Canal removing about 1.1 million cu. yd. of sand, silt and clay.

Expenditures in Lachine sector will ultimately total about $120 millions. Contracts will include channel excavation, dredging, lock and dyke construction, building of three turning basins for ships, modification of three bridges traversing the river.

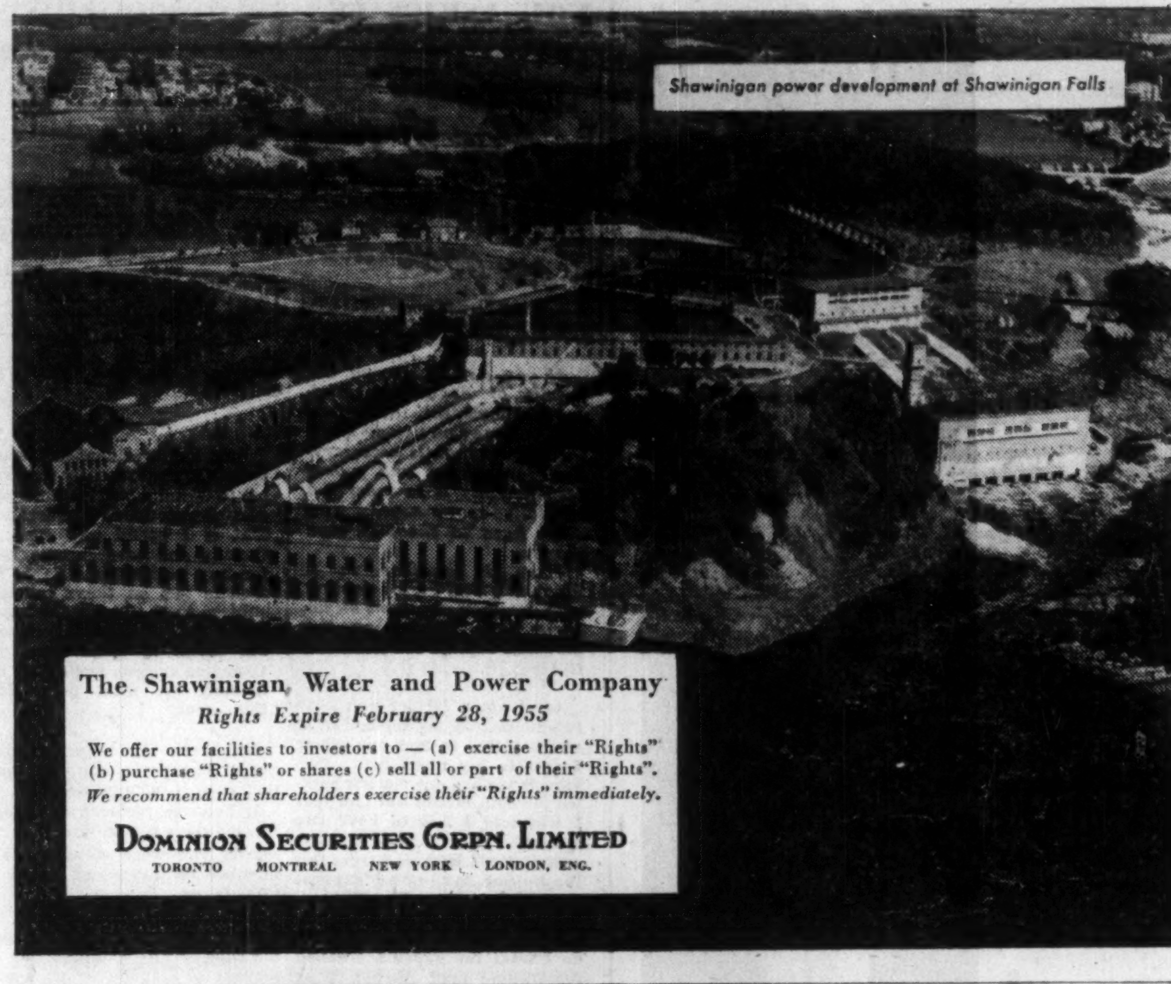
In all about 70 contracts involving $200 millions will be let for navigation works along the 1,200-mile waterway.

Inland Cement Places Machinery Orders In Canada

MONTREAL (Staff) — Engineering designs for Inland Cement Co.'s new $7 million Edmonton cement plant are now well advanced, the company states. Orders for the rotary kiln and most other major items of machinery and equipment have been placed with Canadian manufacturers.

Inland was formed recently with $8 millions of Canadian and Belgian capital. It is expected to be in production in about 16 months.

The company states that F. C. Manning, president of Manning-Egleston Lumber Co., of Calgary, has joined its board of directors.



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the PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY

PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON

SEVENTY-FIRST ANNUAL REPORT

Balance Sheet as at December 31st, 1954

ASSETS

Real Estate (Head Office Buildings)	$	10,000.00
INVESTMENTS:		
Bonds and Debentures at Book Value		2,176,647.32
Par Value $2,214,796.27		
Dom. Govt. Authorized Value $2,190,925.52		
Deposits with Trust Companies for investment		40,000.00
Cash on Hand		4,863.80
CASH IN BANK:		
Canadian Bank of Commerce, Portage la Prairie, Man.		206,178.29
Interest accrued on investments		20,789.85
Agents' Balances and Premiums uncollected		105,082.84
Unpaid Assessments		22,972.90
Surrender Value of Life Insurance Policies		2,223.70
Admitted Assets	$	2,588,758.70
CONTINGENT ASSETS:		
Unassessed Premium Notes	$	1,562,654.26

LIABILITIES

Unpaid Claims in Process of adjustment		$ 78,266.23
LESS: Reinsurance Thereon		40,684.28
Unpaid Claims — Net		$ 37,581.95
Reserve of Unearned Premiums (Dominion Government Standards)		564,555.98
Reinsurance Premiums Held in Reserve		199,831.95
Reinsurance Accounts Payable		63,145.95
Sundry Accounts and Accrued Taxes		48,520.74
Provision for Income Taxes		51,998.40
Total Liabilities		$ 965,634.97
GENERAL RESERVES:		
Reserve for Future Fluctuation of Investments	$210,000.00	
Reserve for Contingencies	180,000.00	
Reserve for unlicensed unsecured Reinsurance	35,339.70	$ 425,339.70
Total Liabilities and Reserve		$ 1,390,974.67
SURPLUS:		
Unallotted Surplus		1,197,784.03
TOTAL		$ 2,588,758.70

CERTIFICATE TO POLICYHOLDERS

We certify that we have audited the books, accounts and vouchers of The Portage la Prairie Mutual Insurance Company for the year ended 31st December, 1954. We have obtained all the information and explanations required, and after due consideration, have formed an independent opinion as to the financial position of the Company. In our opinion so formed the Balance Sheet herewith is properly drawn up so as to present a true and correct view of the state of the Company's affairs as at 31st December, 1954, according to the best of our information, the explanations given to us, and as shown by the books of the Company. All transactions of the Company that have come under our notice have been within the objects and powers of the Company.

Winnipeg, Canada,
January 17th, 1955.

G. B. HARE & CO., C.A.
Auditors

J. C. MILLER, Q.C., President — ARTHUR SULLIVAN, Q.C., LL.D., Vice-President — A. H. THORPE, Managing Director
E. M. BROWN, Secretary-Treasurer

DIRECTORS:

E. D. ALDER, Q.C.	J. T. TRIMBLE	A. H. THORPE
N. H. MUIR	E. L. KITCHEN	ARTHUR SULLIVAN, Q.C., LL.D.
J. C. MILLER, Q.C.	G. G. TIDSBURY	HON. D. L. CAMPBELL, LL.D., M.L.A.

The Company operates under the Dominion Insurance Act and is subject to Annual Inspection by Dominion Government Officials.

WHOOPS!
There goes the strawberry sundae

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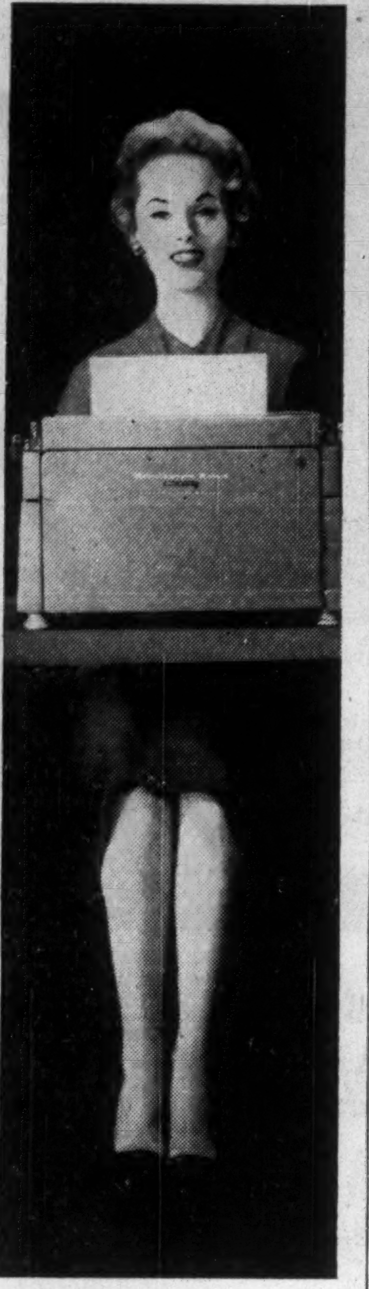

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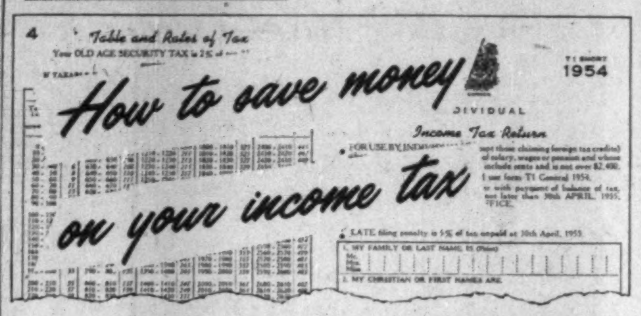

If you don't know all the details of deductions, dividend allowances, depletion, etc., you may be paying more income tax than is necessary. Your sole legal and moral responsibility is to meet the legislative requirements. You don't have to cheat to save money.

Here is another in a Financial Post series dealing with common questions on income tax. Remember the personal income tax deadline is April 30.

(a) I am a farmer and have two houses on my farm, one of which I live in and one which I rent to my hired man. Previously we had one electric service for both houses but last year I was told I had to have two systems. This meant an extra cost of $100. How do I treat this for income tax, as an expense or a capital expenditure?

(b) Last year I did an extensive job re-tiling my farm. How do I treat the expense entailed for income tax? Would it be deducted as a regular repair expense or capital investment?

(c) I had a farm (not the one I live on) which I bought in 1935 for $3,000. About a year ago I had a chance to exchange it for an apartment house valued in 1954 at $16,000. The rental income from the apartment is over $2,400 which seems to indicate a capital value of $16,000. On what value would I take depreciation?

(a) The expense of installing the extra electric service would have to be treated as a capital expenditure and added to the cost of the house. You could of course claim depreciation against it.

(b) If the re-tiling was entirely to replace tile that had become chipped, broken or had disintegrated it would probably be treated as an expense for repairs. If it was to install new tile in a new drainage system you would probably be allowed to deduct the cost of digging the ditches as an expense, but the cost of the tiles should be capitalized and added to the cost of the farm. And you would be able to deduct depreciation on it.

(c) It is assumed you could have sold the farm for a price approximating the value placed on the apartment or $16,000. Accordingly the cost of the building to you would be $16,000 on which you would base your depreciation.

I and my wife both work and accordingly each has an exemption of $1,000. We have two children drawing family allowance for which I claim a deduction of $300. My wife drives to work in her automobile every day. Can she claim any deduction from income for income tax on this account?

No. No deduction is allowed in such a case any more than a person traveling to work by streetcar can claim a deduction.

My wife and I plan to adopt two small children, both under two years of age. What will be the position of these two adopted children as regards income tax and to what deductions will we be entitled on their account?

You will be entitled to exactly the same exemptions and deductions as if they were your own children.

I am not a resident of Canada but my job has recently required me to spend a considerable part of each year here. I understand that if I spend any time in Canada and earn income here for any period I am liable for income tax on those earnings subject to the personal exemptions allowed. But I believe I am liable in some cases for Canadian income tax on all my income. At what point does this occur?

You become liable for Canadian tax on all your income for a taxation year, if during that year:

1. You are resident in Canada for 183 days or more, or

2. If you were at any time a member of the armed forces of Canada, or

3. If at any time during the year you were an ambassador, minister, high commissioner or servant of Canada or an agent-general, officer or servant of a Canadian province and had been resident in Canada immediately prior to any of the appointments or employments noted above, or received representation allowance in respect of the year.

Even if you don't spend 183 days or more in Canada, you may be taxed as a Canadian resident on your world income, if you are "ordinarily" resident here or have an established abode here, where you reside occasionally.

I am employed by a large corporation which has a group life insurance plan for all employees. Under this plan, the company pays part of the premium, each employee pays part. My payment is deducted from my salary. Is my contribution for the group insurance premium deductible from my income for tax purposes?

No. The money deducted from your salary each month is considered part of your income, even though you never see it, and it is taxable.

Some time ago I sold my grocery business. One person tells me the proceeds of sale are tax free because they are just a return of capital. Another tells me they are taxable. Which view is correct?

There are two or three conditions to be considered here. If you sold the whole business — building, stock and goodwill, in one deal, the proceeds would be likely held a return of capital and not taxable. But if you sold the stock separately, the position would depend on whether you sold it at a profit or not. If you had not reported the inventory value of your stock previously, it might be difficult to get any claim for tax exemption allowed. There would likely be capital cost recovery which would be taxed. Cases like these are likely to involve many details which are only disclosed by a detailed analysis of the whole deal and which might have an important bearing on the final ruling. It is suggested you take up the matter with a tax expert or your income tax inspector.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Finance

MUTUAL ACCUMULATING FUND, Vancouver, net income for the fiscal year ended Dec. 31, 1954, was $202,822, 104.7% higher than 1953 net of $99,080.

Per share net asset value was $5.15, an increase of $1.49 or 40.7% for the year, reports President P. A. Wootten. Compound income included in this growth was equal to 6.2% of 1953 year-end share value.

Portfolio holdings were altered by the reduction or elimination of shares of eight and the addition of shares of six companies during the year.

Total net assets increased from $2,361,209 to $6,477,422 as of Dec. 31, 1954, or a gain for the year of 174.3%. The gain was attributable as follows: new investment capital, 111.9%; market appreciation, 53.8%; income compounded, 8.6%.

Here are M. A. F. holdings by industry at the end of 1954 and 1953:

Group	—Net assets— 1954 %	1953 %
Agricultural equipment	4.81	....
Amusements	[illegible].74	2.23
Automotive & allied	1.34	3.40
Beverage	10.07	15.86
Chemical & drug	2.50	2.67
Construction & allied	9.46	5.20
Financial	2.11	4.82
Food	5.23	7.61
Forest products	18.66	12.95
Metals & mining	17.76	7.63
Petroleum	8.02	2.32
Printing & publishing	2.49	5.19
Public utility	6.21	8.01
Railroad & equipment	4.91	6.15
Steel & allied	3.17	5.29
Textile	1.21	3.31
Cash & receivables	3.31	1.18

BALANCE SHEET

As at Dec. 31:	1954	1953
Cash, etc.	$213,887	$27,889
Invests. at cost*	5,121,533	2,310,503
Total assets	5,335,420	2,338,392
Shares issued	4,872,082	2,147,071
Capital surplus	75,805	6,610
Divds., accts. accumul.	387,533	184,711
*Market value	6,263,535	2,333,320
Total net assets	6,477,422	2,361,209
Net assets val. per sh.	5.15	3.66

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Gross income	$217,599	$105,743
Less: Oper. expenses	14,777	6,663
Net income	202,822	99,080
Inc. per share	22.546c	†20.6548c

†Adjusted for 4-for-1 stock split, June 30, 1953.

CANADIAN GENERAL INVESTMENTS LTD. surplus for the years 1954 and 1953 was $141,234 and $158,771 respectively, not $50,215 and $47,285 respectively as shown in the profit and loss account in The Post, Feb. 19.

How New $20 Million 'Peg Chemical Firm Will Look

From Our Own Correspondent

WINNIPEG—Further details of financial arrangements under which a $20 million chemical industry will be established in Winnipeg to specialize in production of a nitrogen-type fertilizer for the Prairie agricultural area have been given here by a spokesman for Winnipeg & Central Gas Co.

The newly incorporated firm, Canadian Hydrocarbons Ltd. (The Financial Post, Feb. 19), will be the chief participant. The firm will be based in Winnipeg and will develop a network of subsidiaries in fields allied to the petroleum industry.

Canadian Hydrocarbons has a $3.5 million share authorized capital up to a limit of $25 millions. Present shareholders in Winnipeg & Central Gas will be given options on the new stock, and the gas company itself will retain a 20% interest.

Negotiations for the plant have been under way for many months, and were concluded about two weeks ago, it was learned here.

A leading role in the scheme has been taken by the Manitoba Government's Industry and Commerce Department, and an announcement on the matter is expected from the department relatively soon.

Natural Gas Base

As reported in The Financial Post, the industry will be based chiefly on the natural gas piped eastward from Alberta.

It is understood that Arthur D. Little, Inc. of Cambridge, Mass., leading U.S. industrial research firm, has conducted surveys both for Winnipeg & Central Gas and the Department of Industry and Commerce in regard to location of a chemical industry in Winnipeg.

When financial arrangements are completed, the new company will own Home Gas Co., Manitoba Propane, Regas and Saskatoon Propane, and a controlling interest in Canadian Propanes. These will be transferred to Canadian Hydrocarbons by Winnipeg & Central Gas, present owners.

Winnipeg & Central Gas now own a business block in downtown Winnipeg, and this too will be taken over by the new company.

McGraw of Canada will be associated with Canadian Hydrocarbons as consulting engineers.

Winnipeg & Central plans a pipeline to carry "wet gas" to the city from Tioga field in North Dakota, and this project too will now be taken over by the new firm.

The Winnipeg & Central spokesman said the proposed chemical plant could operate on both natural gas from the Trans Canada line and propane from North Dakota.

It has been intimated here that actual construction of the Winnipeg plant may start next summer.

A full announcement was to have been made by participants in the new venture March 15. However, unofficial reports in the press may hasten this.

CAYUGA STEAMSHIP CO. consolidated net loss from the date of incorporation, March 26, 1953, to Oct. 31, 1954, was $10,620. Revenue was $249,607.

The company's first season was encouraging, reports President Roland Michener. The SS Cayuga completed 436 single passages and carried 194,778 passengers (one way) during the 94 days it was operating between Toronto, Niagara-on-the-Lake and Queenston.

It is estimated that a $16,000 loss was incurred from June 5 to June 11. It is proposed to commence operations in 1955 on June 11.

Consolidated balance sheet shows current assets, $80,336 (including cash, $20,412, government bonds, $50,177); fixed assets at cost, $185,150; current liabilities, $4,167; 41,132 capital shares valued at $222,377; deficit, $10,620; incorporation expenses, $31,117; miscellaneous, $342.

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ANNOUNCEMENT

STAFF APPOINTMENTS ANNOUNCED

F. J. ULLMAN — F. L. ULLMAN — A. L. HOFFMAN — J. R. MACLEAN

F. J. Ullman, President, Windsor Wafers Ltd., Hamilton, Ont., announces the appointment of John R. MacLean as Sales Manager. Mr. MacLean, well known in the food merchandising field, will serve the extending markets for the Company's high quality products. F. L. Ullman is Vice-President and General Manager. A. L. Hoffman, Secretary-Treasurer, will direct the purchasing and financial affairs of the Company.

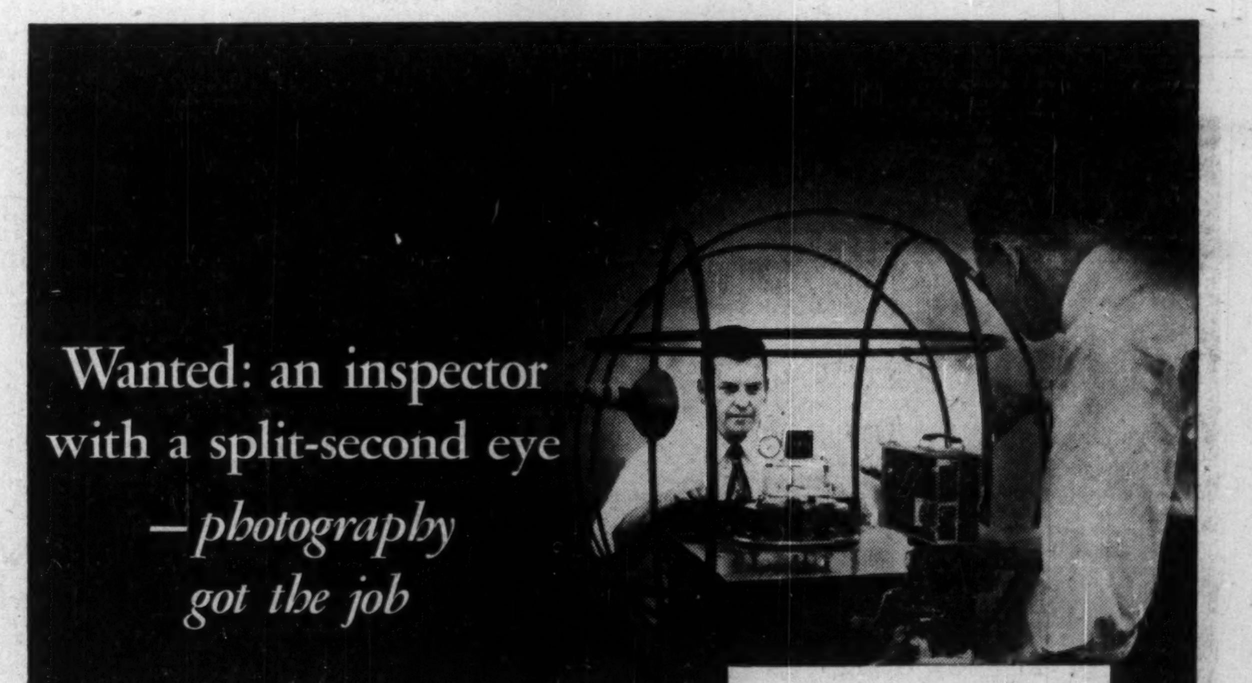

Illustration shows test of an aircraft compass. A magnetic force developed by the loops, pulls the compass card 30° off its normal reading. Then the force is released. The instant of release and the moment the compass recovers by 5° are both recorded on the film—become positive evidence of performance.

A difference of 2/10ths of a second means the compass passes or fails. So it is pitted against a stop watch—definite proof of performance is obtained with movies.

Aircraft safety regulations prescribe that this aircraft compass must respond by 5 degrees in not less than 1 second or more than 1.2 seconds. That's only 2/10ths of a second leeway—far too little for human hands and eyes to catch the action accurately.

So, side-by-side, the stop watch and compass act their parts before the movie camera. The individual frames along the film show the precise instant that the 5 degree mark is reached.

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Convention Report

Study Syndicate Plan To Improve Realty Market

Realtors are turning their attention to possible greater use of public companies as a means of achieving a more liquid market for real estate.

Ontario realtors should form syndicates or companies to sell stock to the public in holding companies which would own big buildings. That was the suggestion at the convention in Toronto of the Ontario Association of Real Estate Boards. If this proves difficult, one realtor suggested the local real estate board should take an active part in the move.

Big trouble with real estate is that there are too few informed buyers, realtors taking part in a discussion agreed. If more people were in the market for real estate, it would be a more liquid investment.

In New York syndicates are buying buildings by selling shares to as many as 1,000 owners, it was reported.

If Ontario real estate could be traded on the stock market, in share form, there would be many advantages, realtors said.

But they had differing ideas about what the advantages would be. The income tax aspects, as compared with those of individually owned real estate, were somewhat complex.

Such companies likely wouldn't invest in buildings for lease by big chain stores. The return these companies pay is too low to make it worthwhile, it was asserted.

Part of the capital of real estate holding companies would probably be in the form of convertible debentures, a delegate said.

Tax-free self-administered pension funds might be a good source of funds for investment in real estate holding corporations, one realtor suggested.

Some office and apartment buildings are owned by companies whose stock is traded, but real estate is typically owned by individuals or groups of individuals in Canada.

* * *

Realistic Prices Are Needed Now

Take a look at the price you're asking for that older house. That was the advice of several realtors at the Ontario convention. Prices seem to be much softer for this kind of property. Here is a random sample of opinions on 1955 in a few Ontario cities:

Andy Hawreliak, St. Catharines: We have about 23 subdivisions and the sale of houses has been going excellently—that is, of new houses under construction. Older house financing has been a problem; sellers are beginning to realize that if they are to be in competition they must readjust terms. The year is definitely going to be a good one—everything points to that. That is irrespective of St. Lawrence Seaway, though we're right in the hotbed when that begins to go. We are right on the border, which we feel helps.

Thomas Shipman, Ottawa: In the Ottawa area, the trend for 1955 is still one of erection of a large number of new homes in the outlying area around Ottawa, plus the building of a number of large office and apartment buildings in the central part. There is going to be a stabilizing of price for new homes, with older homes selling for slightly less, except for large, centrally-located, older homes which will sell for an excellent price due to land values.

Alf A. Dunn, Ottawa: 1954 excellent; indications that 1955 will continue on the same level.

Lorne S. Raven, Kingston: Kingston is enjoying at the moment the highest employment rate in its history. A large sewage disposal system is receiving attention. There is serious lack of low-cost serviced land within the corporation which is hampering building to some extent. But the outlook is good for 1955.

Donald B. White, D. B. White & Sons, Sarnia: Business started off a lot better in Sarnia in 1955 than we had anticipated. And it looks as though we are going to have a pretty good year. The Ethyl Corp. has bought 100 acres and is going to start building a new plant about the end of April, I believe. It is bound to create more housing and more businesses. When Simpsons-Sears built, and the Hudson's Bay, they built for an increase at the time that probably wouldn't be used up for three or four years.

W. P. Mason, Goulding & Mason Ltd., Toronto: New houses in Toronto are still in good demand. Lower down payments are looked for. More selective buyers' market. Older homes may have a tendency to fall off slightly in price. Land prices will remain high due to demand for serviced and registered residential lots. Industrial development should continue at a steady rate as in 1954.

B. Jarmel, Orillia: The past two months have shown more turnover than same period of 1954. Outlook optimistic.

W. G. Caton, Bollert & Caton Ltd., Kitchener: Sales of new homes of five and six rooms running approximately 25% ahead of 1954. Some resistance to older homes but there appears to be very little difficulty even with older homes when offered at a reasonable price. Sales should run considerably higher than in 1954.

Paul Ristow, Oshawa-Whitby & District Real Estate Board delegate: Retail business enjoying reasonably active market. Large builder programs for 1955. Extension of sewer and water facilities going ahead at record rate. Labor problem outlook not too bad. Little unemployment. Older homes become harder to sell unless there are price reduction and low down-payment plans. Outlook for 1955 generally good.

Wes Daniel, London: In London the real estate business is in healthy condition. Excellent growth in new home construction and turnover, more new homes for sale than one year ago. Certain increase in commercial construction and expansion. Outlook good.

Carl D. Bruner, Leamington: Leamington district, noted as the sun parlor of Canada, is surrounded by fruit and vegetable farms, attracts the gardening-minded immigrants. Farms are being enhanced in value, subdivided and many new homes built. The lakeshore attracts more and more tourists, especially Americans, to purchase or rent summer homes.

* * *

Swiss Will Invest For Lower Return

Many European investors who are buying Canadian real estate, or investigating it, are willing to accept lower returns than Canadians. Realtors who have been to Europe or dealt with Europeans here say that the return acceptable to the Swiss is sometimes close to half what a Canadian investor would want.

The Swiss do not get the benefits that U.S. residents can get through non resident holding corporations, which pay only 15% tax on income, it was stated. Switzerland doesn't have an agreement with Canada like the U. S. on this subject. But returns on real estate are often only 4% in Switzerland.

Also, they are working for their great grandchildren. They often expect capital values to appreciate in Canada. They ask what a specific Toronto property will be worth in 40 years. One Swiss investor wouldn't consider sale-leaseback deal with a blue-chip chain store—the kind of investment that U. S. and Canadian investors go for. It would only last 25 years — what then? asked the long-viewed European. Swiss interest is in residential and mixed store and office buildings, it seems.

* * *

Sell Your Building If It's Depreciated

Many building owners do not realize they could better themselves by selling their buildings and buying newer ones which still have considerable value to depreciate for tax purposes.

That was one word of advice given at the real estate convention. If the owner can no longer write off 5% of a sizeable balance each year, he is paying higher taxes than if he put his capital into a newer building on which he could get a good buy. He would thus cut the income tax he has to pay. Buildings do not necessarily depreciate in market value in step with their tax depreciation.

* * *

What Will Become Of Old Warehouses?

Realtors were puzzled about the future of 30-50-year-old warehouses on Wellington St. in Toronto. So much new office space has been built that "For Rent" signs hang month after month on many of these old buildings that were converted into office space during acute shortages some years ago.

There are two possibilities, some realtors thought: convert them to lower revenue factories for the needle trades or metalworking plants, or demolish them and redevelop the area. Similar areas in Chicago and Cleveland are being redeveloped.

What will we redevelop them into? a realtor asked. Concensus seemed to be it was too early to forecast for Wellington St., which is handy to the waterfront. It remains to be seen what the Seaway will do to Toronto when its impact starts to be felt about five years from now.

Owners of old fourth and fifth-rate office buildings that were amortized long ago have to recognize their reduced value though, realtors said. Some owners are apparently doing this — a couple of buildings were recently sold on Wellington St. for remodeling into offices that will rent for as little as $1.50 sq. ft. a year.

New Chart May Melt TV Snow

To help sort out the crowded airwaves, the Canadian Radio Technical Planning Board has produced a new type of guide, called the Canadian Frequency Allocations Chart. On it are shown, by numbers and colors, wavebands allocated to various services in the country.

The Board says that although radio stations have been broadcasting in Canada since 1920 this is the first time the airwaves have been shown graphically. The chart was designed by top ranking scientists and engineers who give their services free to the Board, a non-profit organization formed to advise the government and electronics industry on the best use of available air space.

Now users of airwaves can check their frequencies at a glance, make sure they do not wander over into someone else's band. It is hoped it will lead to a marked reduction in television and radio interference.

Transportation Penalty On Canadian Oil—Twaits

Canadian reserves of light crude oil are now estimated at 2¾ billion barrels, reflecting a net increment of some 600 million bbls. during 1954 — equivalent to six times the year's actual crude production.

On the basis of exploration experience to date in U. S., the prospective area of Canada should develop from 20-25 billion bbls. of light crude over a normal producing generation.

These were among the highlights of an address by W. O. Twaits, vice-president and director, Imperial Oil Ltd., to the American Institute of Mining & Metallurgical Engineers meeting at Chicago this week.

The current problem of Canadian oil is not connected with ultimate possibilities so much as with proximate realities. Today, Western Canada has a potential economic production rate of about 420,000 b/d. but actual production for 1955 will probably average about 330,000 b/d, with closed in production of some 100,000 b/d.

The landlocked feature of Canadian crude means that it must compete at long range with off-shore imported crudes, Mr. Twaits said. The comparatively rigid and high cost transportation connections through which Canada's crude must operate imply two basic economic considerations for the industry:

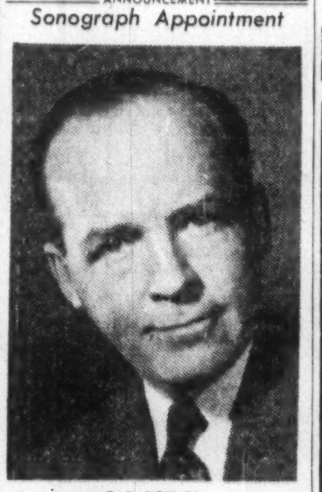
—that Canadian crude prices will inevitably reflect a heavy transportation "penalty."

—that any decision for marketing Canadian oil, due to the relative inflexibility of the transportation system, will have very lasting effects.

"I suggest that a realistic look at the future must take into account a growth in continental oil requirements to a figure of 12 to 14 million b/d in the next 20 years. Now, no matter how pressing current problems of market outlet are, I think we can agree that the normal optimism of oil seekers will have plenty of latitude in this outlook. Our long term problem really is to ensure the maximum rate of exploration effort and the maximum development of oil resources against this outlook. Within this framework, the forecasted Canadian production is not a problem but an essential," Mr. Twaits stated.

ANNOUNCEMENT

Sonograph Appointment



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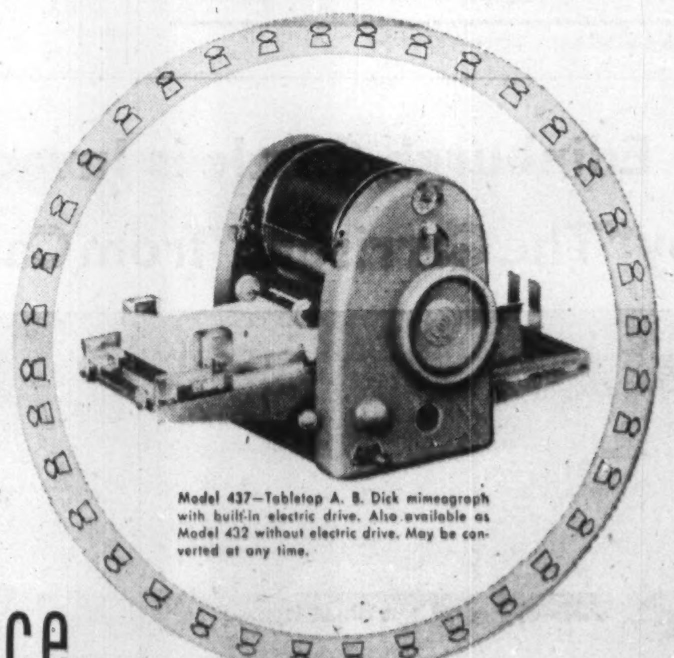

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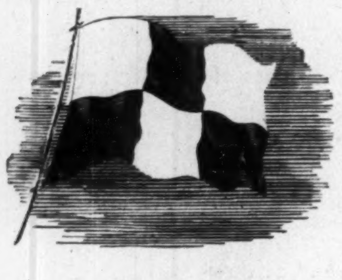

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New U. S. Fund For Insurance Stocks

An investment company to invest in insurance stocks, has come on the scene in the U. S.

Called Life Insurance Investors Inc., the company expects to concentrate its investments in life insurance company stocks, and the stocks of companies which have a substantial interest in the life insurance business.

Formation of the new fund reflects the great interest which has developed in insurance stocks in the past couple of years. Stocks of these firms have risen to record levels in the process.

An offer of 1.4 million shares involving more than $20 millions is being made by a large nationwide group of investment bankers headed by White, Weld & Co., New York, and J. C. Bradford & Co., Nashville, Tennessee.

The fund's president, Raymond T. Smith, said that the fund "will fill a real need in providing a practical method of investing in the stocks of life insurance companies."

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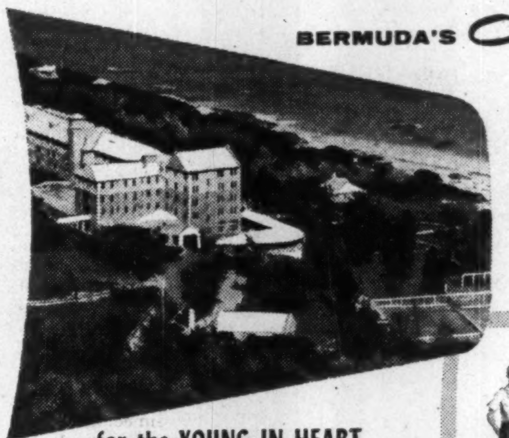

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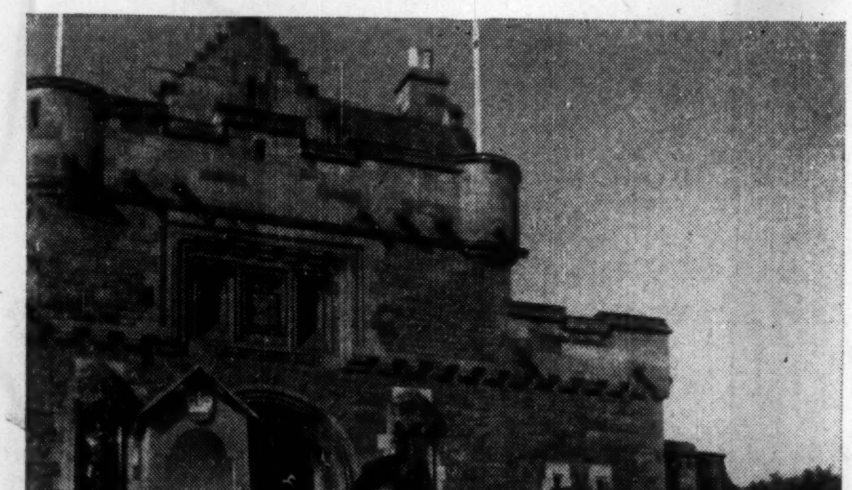

"EDINBURGH CASTLE IS ONLY ONE of the many places my family was delighted to visit in Britain last summer," says Mrs. Flint Garrison, from Brantford, Ontario. The Garrison family is shown here at the entrance to the Castle. "We are all glad we made the trip. We saw so much—and for so little."

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Financial

MONTREAL CITY & DISTRICT SAVINGS BANK net profit of $623,317 for 1954 was 6% higher than 1953 net of $588,217.

Rest account was increased to $6 millions during the year by transfers of $500,000 from undivided profits and $500,000 from tax-paid contingency reserves.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Net profit	$623,317	$588,217
Less: Dividends	320,000	320,000
Surplus for year	303,317	268,217
Earnings per Share and Dividend Record:		
Common: Earned	$3.12	$2.94
Paid	1.60	1.60

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$21,184,067	$18,105,846
Dom. & prov. govt. secs.	115,269,090	121,352,532
Other securities	51,086,495	41,943,176
Call & short loans sec.	......	3,529,797
N.H.A. mtges.	2,709,936	......
Other loans	13,094,193	6,655,841
Bank premises	2,500,000	2,000,000
Other assets	182,008	181,815
Total assets	206,025,789	193,769,007
Govt. deposits	320,926	......
Deposits by public	197,208,160	......
Deposits (savings)	......	183,272,627
Deposits (current)	......	2,770,014
Other liabilities	337,184	265,729
Total liab. to pub.	197,866,270	186,308,370
Capital stock	2,000,000	2,000,000
Reserve fund	6,000,000	5,000,000
Dividends pay.	......	80,235
Surplus	159,519	380,402
Total liabs to shareholders	8,159,519	7,460,637

ROYAL TRUST CO. net profit for the fiscal year ended Dec. 31, 1954, was $825,882, 6.1% lower than previous year's net of $879,137. Provision for taxes was up $162,448 at $632,341.

Assets under administration at $1,315 millions showed a net gain of $123 millions or 10% over previous year end, report President Ross Clarkson and Vice-President and General Manager J. Pembroke.

Capital having been increased by $500,000 and the $20 par value shares subdivided into $5 par value shares, the company will offer shareholders rights to subscribe for 50,000 shares on the basis of one share at $20 per eight shares held. Another 10,000 shares will be offered to senior employees and 40,000 will be held in reserve.

Value of the new $5 shares has been fixed at $30 for 1955, equivalent to $120 on the former $20 shares, valued at $105 in 1954.

Mr. Clarkson has been appointed chairman, Mr. Pembroke president, and J. M. Wells general manager.

Royal Trust Co. of Canada, a wholly owned subsidiary, has been incorporated to take over the business of the London branch and facilitate operations in the U. K.

	1954	1953
Liabs. to pub., etc.*	$65,447,557	$32,215,039
Sh'holders' equity	9,028,587	8,777,705
*Secured by:		
Mortgages	1,499,310	2,137,692
Realty for sale	......	1
Office premises	1,791,473	1,901,528
Liquid assets♦	71,185,361	36,953,523
Total	74,476,144	40,992,744

♦Includes stocks and bonds and $191,308 stocks of subsidiary companies in 1954 and $191,033 in 1953.

Estates account	1,240,815,229	1,150,719,963
Net profit	825,882	879,137
Earned per share	$8.26	$8.79
paid	4.00+0.75	3.40+0.90

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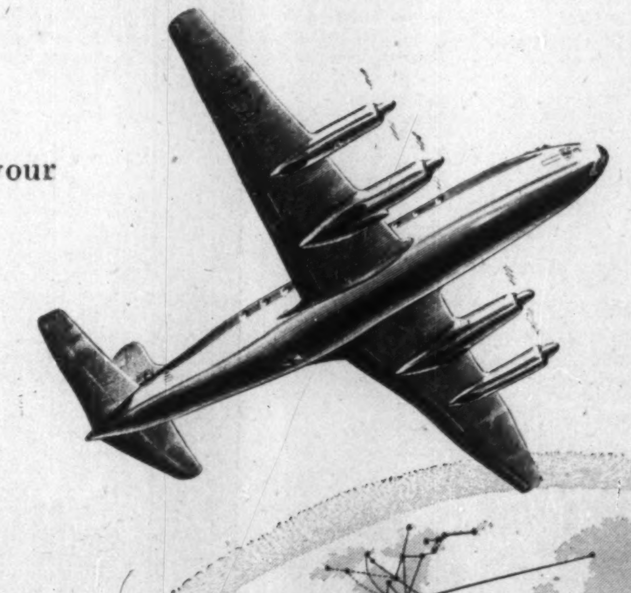

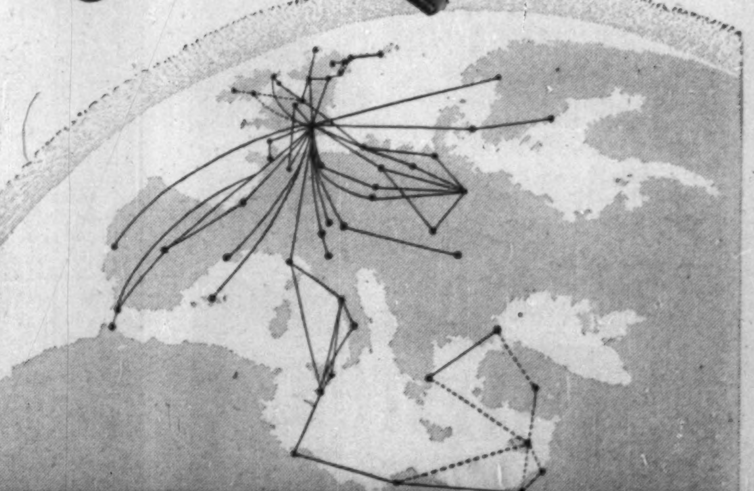

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How To Take Advantage of a Trend

Do-It-Yourself Classes Boost This Supplier's Business

By J. W. McLean

Last fall a North Toronto hardware-lumber dealer jumped on a $6 billion bandwagon by launching a series of free Do-It-Yourself classes. Seventy-five amateur handymen dropped in that first night.

Since then attendance has jumped 400%, with one recent turnout of 310.

While other dealers talked about do-it-yourself profits Dennis F. G. Harrold, English-born manager of Downsview Lumber & Supply Ltd., took action. With a store located in a sprawling new suburb near Downsview airport, Harrold figured the home improvement potential to be terrific. Subsequent sales volume—now up 50% over last year — proved him right.

Using an idea claimed to be unique in Canada Harrold worked up a syllabus of subjects for 21 winter evenings. He checked these with his principals, A. B. Cairns & Sons Ltd., housebuilders of Terraview Heights, and with his staff and customers. Everyone thought the plan a good one. The schedule was distributed to a limited neighborhood list, placards were hung in the store and a few radio spots were bought.

Suppliers Take Part

Several suppliers of products handled by Downsview were contacted with the suggestion that they take part in the do-it-yourself classes. Seeing the publicity potential, these firms willingly offered speakers and demonstration material. On Oct. 7, after a few anxious moments wondering whether anyone would turn up, the first program got under way.

Since then, scores of local residents have learned how to use hand and power tools, make storm windows and work benches, lay floor tile, paint recreation rooms, install hot water tanks and generally do all the things for which supplies must be bought at a hardware store.

From the time it opened in 1948, Downsview Lumber & Supply Ltd. has aimed at retail rather than builder trade. The roomy L-shaped building is designed for the home-owning shopper, the long side of the L being given over to tools, flooring, kitchen utensils, sporting equipment, etc. and the short side being the lumber department. Owner Cairns and manager Harrold feel they are the vanguard of a new movement in operating in lumber and hardware strictly for the retail trade.

"We have what amounts to a hardware super-market," they say. "And we arrange our goods and promote ourselves much like Loblaws or Dominion Stores."

On arrival in Canada Dennis Harrold sold for Semler Lumber Co., Toronto for two years, picking up Canadian ways and new ideas all the time. When he went over to Downsview in November, 1953, he had an understanding of United States whoop de do hardware selling methods from having traveled through that country. He also knew that Canadians were more conservative than Americans.

"And thank God for that," he sighs.

Visiting the Mark Lumber Co. in Pittsburgh, Harrold witnessed a class of 150 local residents being taught how to do it themselves. He saw what Mark's were doing right and what mistakes they were making and in July of 1954 determined to try the same idea at Downsview.

Among supplier firms that liked the suggestion and contracted to participate was Gypsum, Lime & Alabastine Co., maker of Gyproc board. W. J. McCann of that firm says, "Ours was a very successful meeting with the Downsview customer audience."

Speaking for Canadian General Electric Co., sponsors of a Downsview Thursday on house wiring and lighting, J. S. Keenan of CGE, feels, "The appearance of our people before such a large audience of hobbyists and handymen was of considerable value to CGE."

After an Arborite Co. evening on making and covering a kitchen counter, J. Cruikshank of Arborite said, "We like to do such things. Like other advertising, the effect is not immediate or measurable but we are sure it is being felt in our retail sales department."

Manager Harrold says, "Our competitors thought we were crazy when we started. They don't now."

Talks and Demonstrations

Formula established at beginning of season has worked out well. Sessions start at 8 p.m. with warm-up patter by master of ceremonies, TV personality Peter B. Whittall, master handyman. Speakers talk and demonstrate until 9 when coffee is served. During coffee break audience is encouraged—by clever locating of coffee serving stations—to wander through store and become acquainted with goods available. Although officially closed, store will make sales as a convenience to customer. No selling pressure whatsoever is applied at this time.

After coffee, more demonstrations until just before 10 when weekly draw for prizes is made. These prizes consist of cash or goods put up by supplier giving demonstration, more goods put up by Downsview and 10 discounts of 5% for use in the store.

Prize draws are a primary feature of classes, as it is from them that a mailing list of just under 1,000 names has been made. A part-time girl is kept busy updating this list and mailing weekly news letter to all names.

Expenses for each week's class include overtime pay for about four men, fee for master of ceremonies, cost of prizes and catering and rental of 230 chairs, a total of around $150.

That the community feels this way too is evident from the snowballing popularity of the classes and from the jovial spirit at each session.

Dennis Harrold, foreseeing continuing revenue increase says, "Will we be having do-it-yourself classes again next season? You bet your sweet life we will!"

MR. HARROLD

Nfld. Hardwoods Control Acquired By 3 Montrealers

MONTREAL (Staff)—Three executives of General Woods & Veneers Ltd. have acquired control of Newfoundland Hardwoods Ltd.—one of three government-owned plants built by the Provincial Government under its economic development plan.

It could not be learned here whether the plant was sold or leased by the Government.

It has been in operation for about three years under lease to private interests, and experienced difficulties in markets, materials and personnel. It is located near St. John's.

The three Montrealers are I. Elefant, J. R. Bennett and Samuel Grant. Bennett said they entered the venture as individuals and the Montreal firm is not involved.

He said a mutual understanding was reached with the Government for them to take over the plant because it was felt they could put it on "a proper basis."

There is a sizeable market in Newfoundland for the company's products (flooring, veneer, doors and plywood) but in the past mainland sales have accounted for about 70% of sales.

Most of the outward sales have been to the U. S. including the Atlantic seaboard area and the Mid-west around Chicago. Stiff competition has been experienced in Ontario and Quebec.

Troubles In Past

The plant can produce 8-10 million ft. of birch annually. It has experienced troubles. There have been many personnel and organizational changes, and it has had difficulties in finding top-notch men. One of the past problems has been getting enough selected birch logs and woods operations have been rounding into shape quite slowly.

Critics claim that the company mill was built in the wrong place. They point out that the logs are brought by rail some 500 miles from St. George's Bay to area on the western side of the island—an expensive haul—and wonder why the plant was not erected near Corner Brook. They have also contended that the birch used was too small for veneer production.

Management has said it built near St. John's because of the facilities there for shipments to Europe and U. S. It has said the supplies of birchwood could only come from St. George's Bay district because they were the only stands on the Island that could readily be tapped.

General Woods & Veneers has plants in a Montreal suburban district and Paris, France.

Colville Industries Plans Expansion

Colville Industries Ltd. of Chatham, Ont., now owned by Rotary Lift Co., of Memphis, Tenn., has long-range plans to expand production of elevators and industrial lifts.

Its major product now is the auto lift.

Changes will not be immediate or sweeping but within the next 3-5 years these are the objectives: An increase in the Colville working force from 50 to 100 and the floor space from 21,000 sq. ft. to 36,000.

Colville has built a few elevators and industrial lifts in the past but, generally, has been unable to maintain the engineering and research staff necessary for these custom-built products. Now the Ontario company will utilize Rotary Lift's engineering staff and research findings.

Colville was sold to Rotary Lift by John H. Colville of Toronto for $325,000.

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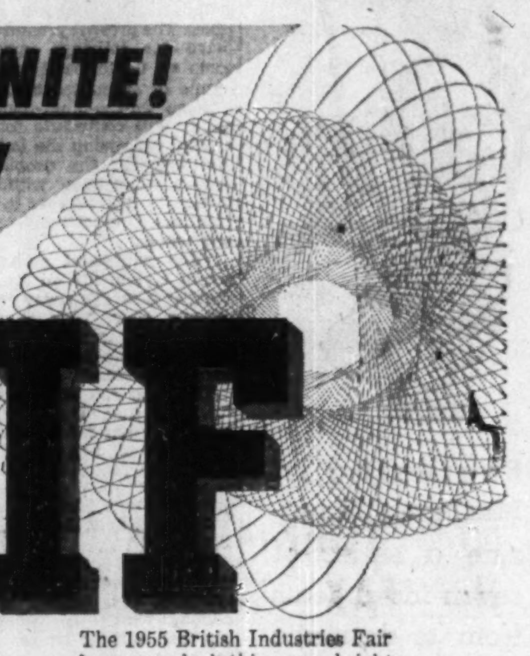

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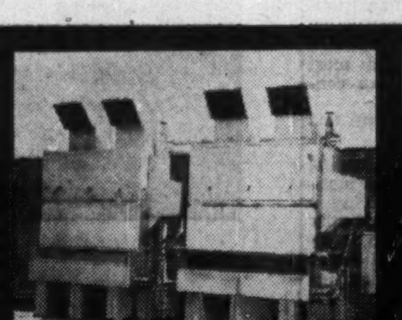
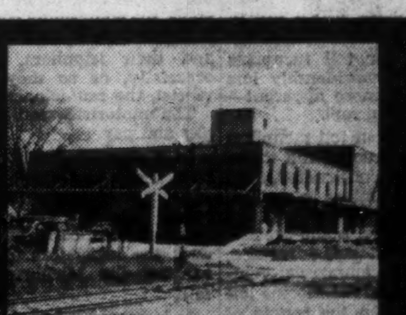
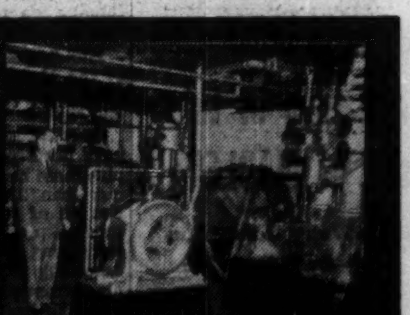
FRUIT GROWERS ASSOCIATION SLASHES WATER COSTS WITH CIMCO EVAPORATIVE CONDENSER



High water costs were cut 30% per year with these two Cimco Evaporative Condensers.



The offices and warehouse of Norfolk Fruit Growers Association where the two money-saving Cimco units are in operation.



Mr. Wallace, manager of the Norfolk Fruit Growers Association, inspects the two York compressors which supply all their refrigeration.

A thirty per cent profit annually on *one* investment is the experience of the Norfolk Fruit Growers' Association, Simcoe, Ontario — thanks to Cimco!

In 1946, artesian water ran dry and the Association was forced to purchase city owned water costing as high as $2400 per annum. Cimco engineers surveyed the problem. The old shell and tube condenser was replaced with 2 new type Cimco evaporative condensers. Down went water costs to only $500 per annum.

To quote Mr. Wallace, Manager of the Association: "We provide Norfolk County with storage, packaging and marketing facilities for 300,000 bushels of apples and 100,000 crates of strawberries. We need sound reliable refrigeration and cooling and we get just that from Cimco. We have always had satisfaction from Canadian Ice Machine Company with all our refrigeration requirements."

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Here's Case Against Toll Highways

An Ontario Motoring Official Fires A Broadside

The bitter battle over toll highways grows in Canada, centred in Ontario. Warren B. Hastings, executive vice-president of the Canadian Automobile Association and general manager of the Ontario Motor League, in an open letter to Premier Frost last week fired a broadside against tollways. This is a digest of his letter.

By W. B. HASTINGS

We, in Ontario, have recently been exposed to a deluge of propaganda favorable to all turnpikes. The present pressure-group drive for tollways appears to some of us to be a stellar example of attempted exploitation.

Some "on-the-other-hand" comments will contribute something toward redressing the imbalance, and bringing the problem into proper perspective without distortion to the end that it may be scrutinized objectively, steadily and whole.

Very significant omissions in recent statements on New York State's new Thruway are the reasons New York State "has been unable to finance construction of super-highways out of current revenue."

Those reasons are as meaningful as factual. The first is that New York has for years diverted about 45% of the revenue it derives from motor-vehicle owners as such, to other than road purposes—a fault New York shares with about half the states of the U.S.

The second is the inadequacy of its road-user taxes. The gasoline tax New York collects is 4c per gallon, which is considerably less than half the 11c gasoline tax in Ontario, after the volumetric differentials have been compensated.

Because Michigan is building a toll turnpike, it may be of interest that it collects a gasoline tax of only 4½c per gallon. The two states mentioned are far from being in a minority in imposing inadequate, but politically expedient, taxes on road-users.

Costliest Method

Robert O. Swain, Washington, D.C., executive director of the International Road Federation, stated at the 35th annual convention of the Canadian Good Roads Association in Toronto last November that the building of toll highways is the costliest way to obtain highway facilities.

He, extemporaneously, ventured the opinion that the projected and partially constructed, controlled-access highway from Windsor to the Quebec border (401) will be, apparently, the only highway in Canada the operation of which, as a toll turnpike, would be economically feasible.

Motorists generally feel that it is inequitable to require them to help to defray the costs of roads of purely local significance, which are of no service to them. They feel, too, that the cost of roads, constructed at their expense, the intended service of which has been compromised by real estate developments, should be charged to those profiting by such developments.

Thus, the provincial road fund might be reimbursed, as it should, for the conversion of extensive sections of provincial roads. Although provincial grants for urban links of Queen's Highways, and their direct tributary, and distributory streets are generally approved, many motorists regard as inequitable the subsidization out of the taxes they pay as road-users of land-access road, local county and township roads, and colonization roads, which are of no service to motorists generally.

The "rage" for toll turnpikes in the U.S. is considerably less than noble and more apparent—and audible—than real.

Only 751 miles of toll turnpikes have been constructed and these, plus those being constructed, total less than 2,500 miles in extent. Not all of those constructed are proving profitable. Some are experiencing diminishing returns, especially from commercial-vehicle patronage, and the Florida toll turnpike has been the source of one of the worst top-level road scandals in years.

Proud of Freeways

California, with the most motorized population of any motor-license jurisdiction in the world, is proud that its elaborate system of controlled-access roads consist exclusively of freeways. It is noteworthy that many of the states have no roads comparable to Ontario's controlled-access highways nor to the California freeways.

But it is not to these that our enthusiastic tollsters "point with pride." That gesture they reserve for the New York toll Thruway. When reminded that the tolls of turnpikes are the equivalent of additional gasoline taxes ranging from 15c to 35c per gallon, they promptly reply that one can buy a supplementary permit plate for one's car that entitles one to drive the Thruway toll free for a year, at a cost of only $20.

Only $20! That exceeds, by from a third to threefold, the cost of the permits on each of the cars of Ontario motorists which entitle their owners to drive on the five million miles of free-roads of Canada, the U.S. and Mexico, some of which compare not unfavorably with the 446 miles of the New York Thruway. The ratio of the mentioned mileages is about one to 11,211.

Many, but not all, of the people of the "Empire State" are proud of the Thruway as "the world's greatest highway." That the New York legislators' enthusiasm is tempered with prudence is indicated by the fact that only half the Thruway bonds are guaranteed by the state. The other half are revenue bonds, more costly to sell and service than government bonds.

That the U.S. Federal Government has not shared the "rage" for tollways is indicated by its refusal thus far to make any of its Federal Aid funds available to them. True, it did help to finance the Pennsylvania Turnpike years ago as an unemployment-relief project, but that was so special a case as to be unique.

Most inappropriately, the Pennsylvania Turnpike has also been cited by some of our tollsters as a "beacon showing the way to Ontario." The right-of-way of the original and main section of that turnpike, with much of the tunneling and considerable of the cut and fill work completed, was obtained for a nominal price as an abandoned right-of-way.

Traffic Decreased

The first of the transcontinental roads of this hemisphere was the Lincoln Highway. The section of this road more or less paralleling the Penn Turnpike meanders and undulates to an all but unrivaled extent. It is one of the most antiquated of the so-called U.S. highways. Its atrocious condition has been a major factor in diverting traffic to the tollway. Even so, traffic on the Penn Turnpike decreased last year.

Among other adverse criticisms of U.S. tollways authorities are that they are disruptive of the centralized road authority in various ways, like siphoning off their engineers and other technicians. They thus impede general road work.

Many have been the complaints of tollway users that service stations, restaurants, etc., holding costly tollway concessions, charge substantially more than the prevailing rates on adjacent free-roads.

There have also been complaints that in some cases there has been a marked tendency by the authorities to neglect free-roads, paralleling the tollways.

Could some of the toll road enthusiasm in Ontario be aimed at obtaining larger grants for local road-building authorities from the Provincial Government, which, in final analysis, means from the motorists of the province? This motivating factor was implicit in the assurance of a special pleader that tollways would relieve the Government of the cost of the primary road system—its first road obligation—and enable it to increase, very appreciably, its road grants to counties, townships and other municipalities.

An Ontario champion of tollways stated some time ago that if the Barrie Highway (400) had been a tollway, the money it cost would have black topped 1,000 miles of dusty county and township roads. The nasty little fact that punctures that grandiose iridescent bubble is that the volume of traffic on the Barrie Controlled-Access Highway would make it viable as a toll turnpike less than three months each year.

Bond Houses Benefit

The beneficiaries of the tollway scheme would be the bond-house that market the bonds to defray the cost of building tollways, the contractors constructing these most costly of road facilities and their suppliers, and most especially, or so they are convinced, the municipalities.

The motorists would pay and pay and pay.

Is it suggested that a leading bond house in Detroit was motivated by altruism in giving a senior executive several months' leave of absence in which to induce the legislators of Michigan to pass the Michigan turnpike bill?

It is contended that extra-provincial motor tourists would help to defray the cost of a tollway Utopia in Ontario. Is it not apparent that their contribution would be a very small fraction indeed of the contribution the motor-vehicle owners of this province would make directly and indirectly?

The motorist collectively composes by far the most comprehensive cross-section class of the people of this province. Of all large classes, it is the one carrying the heaviest tax burden. One of every three and a half of Ontario's citizens, men, women and children, is a motor vehicle owner. Two thirds of these earn $3,000 or less per annum.

How rational is it in these circumstances to consider motorists as a soft and golden touch, and how equitable is it to expect them to contribute more toward road cost when they are already contributing more than their fair share?

Ontario's road system is more adequate to requirements and more symmetrical in development than the road systems of many of the states of the U.S. Canada, on the basis of vehicles per mile of road, is much better off than the U.S. and Great Britain, which respectively have 17 and 21 vehicles per road mile, as compared to Canada's less than seven per road mile.

New York State has 40 per road mile. Ontario has less than 18 per road mile of Queen's Highways and municipal roads only.

Bridge Bottlenecks

Ontario, of course, has some acute traffic-congestion areas. These are largely confined to cities and their peripheries, and to the inadequate bridge facilities on some highways, the worst being the Queen Elizabeth Way at Burlington and the Welland Canal. If any toll facilities would be justifiable in this province, they would appear to be the extraordinarily costly high-level viaducts planned for these two locations. Bypass highways are progressively relieving suburban and urban congestion and expediting the flow of through traffic.

The following editorial appeared recently in a prominent newspaper of the U.S., the land of the Toll Turnpike:

"At first glance toll roads generally look inviting. The prospect of sweeping divided highways appeals to motorists. The prospect of big toll road bond issues appeals to investment groups. The prospect of building toll roads with toll money appeals to legislators who would like to use regular road funds for other roads or other purposes. Yet toll roads are generally more expensive to build, and, of course, are much more expensive to drive upon than free roads.

"The tolls on motorists are only part of the cause. Interest on road bonds increases expenses. The rush to complete such projects adds to construction costs. Too often a toll-road authority drains the State Highway Department of engineers and otherwise interferes with the free-road program. In general, a toll road is a last resort. It can be justified only to meet an exceptional traffic demand when a state lacks funds to build an adequate free road."

There is no suggestion in that, that tollways are Utopian facilities or even specifics, let alone panaceas for the ills to which road systems are a prey.

Doesn't the "to be or not to be" of Ontario tollways depend on whether the answer is based on the interests of those who covet a larger share of the province's road revenue or on the interests of those who provide the road revenue?

The passing of Sir Thomas White has recalled vividly an utterance of his to the effect that no other public work of governments rivals good roads in public benefits. The dictum was a highlight of an address of his, as Finance Minister of Canada, in Toronto about a third of a century ago.

The CAA has emphasized in representations of the Federal Government that its federal aid is but a trivial token of what it should be with regard to the vital importance of highways to Canada on many counts and with regard to the hundreds of millions Canadians, as motorists, contribute to the federal coffers annually.

The Struggle for the Border

Beginning in Maclean's Magazine a series of seven instalments from a dramatic new book by

Bruce Hutchison

one of Canada's best-known historians and political observers

the grim and colorful story of the long frontier that welds Canada and the United States

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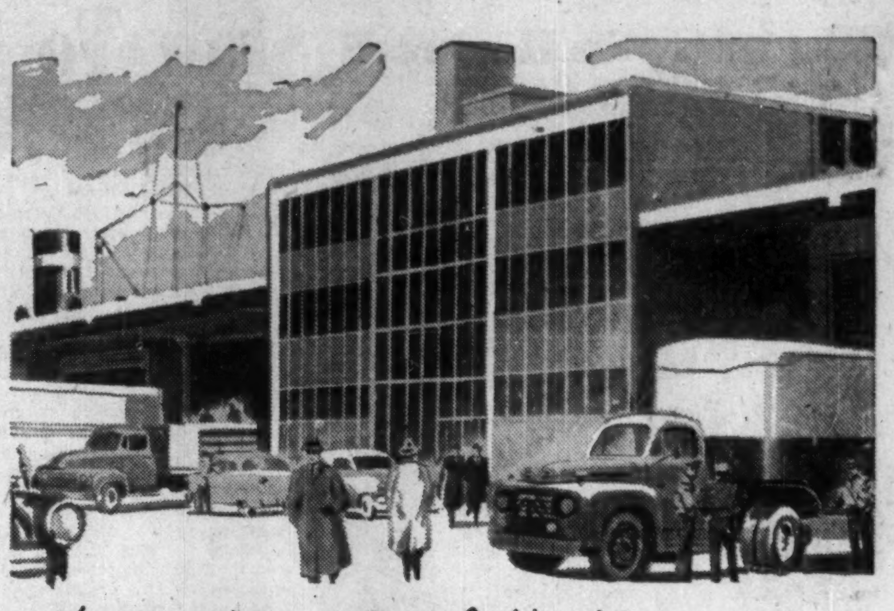


Now, more than ever, it's profitable advice

SHIP VIA THE PORT OF TORONTO

The giant, new Marine Freight Terminal began handling cargo last October. It will be available to enterprising firms shipping exhibits to the 8th annual Canadian International Trade Fair to be held in Toronto May 30 to June 10.

Make plans now to ship and save via the *all-water route* to the Trade Fair and Canada's richest market. The new Terminal, more than 10 miles of deep-water docks and direct service by railroad and highway transport—all these facilities are ready to save you time and money when you "Ship Via the Port of Toronto."

At the Fair—Visit the Port of Toronto Booth.

THE TORONTO HARBOUR COMMISSIONERS

W. H. Bosley, O.B.E., *Chairman* — M. D. Kinsella, M.D., C.M., F.A.C.S — Charles S. Morrow

George A. Wilson — E. B. Griffith, B. Com., *General Manager* — F. D. Tolchard

Do we actually know where to face Communism?

If you could use reprints of this message for friends, staff, or associates, just let us know.

Photographed especially for Canadair by Karsh

Communism and Christianity

Where are the churches of Russia . . . the worshippers of East Germany and Poland . . . Estonia . . . Latvia . . . the Christian congregations and missionaries of China? Gone . . . gone beneath the juggernaut of materialistic atheism that today enslaves six out of every twenty people living.

To communism, Christian countries present a lush target. Pious complacency, religious indifference, empty pews and empty churches mark an easy prey to a fanatic, soulless communism.

It is time for deep searching of our hearts. We can meet communism physically with guns — aircraft — airforce crews — but spiritually? We need to re-affirm the faith that first made our nation great . . . to man anew our spiritual frontiers.

CANADAIR

—AIRCRAFT MANUFACTURERS—

LIMITED, MONTREAL

YOUNG MEN! YOU CAN SERVE YOUR COUNTRY NOW IN THE ARMY

What's New

New products, new uses, new ideas, new money-makers. We report them here and invite your contributions.

YOU ARE INVITED to publicize your new products in this column. Write, Editor, What's New, The Financial Post, 481 University Ave., Toronto 2, Canada.

Rising Rain Drops

Now available in Canada is a completely underground lawn sprinkler system which is rust-proof, rotproof, and made of vinyl plastic with brass fittings to give lifetime service. Inexpensive in price, it comes completely assembled, ready for use and takes only minutes to install. A special adjustment key enables householder to regulate the area covered by the spray. System need not be removed or disconnected during the winter, regardless of temperature, and it will not interfere with a lawn mower which may pass right over it.

* * *

Banish The Ghost

There will be no "ghost" marks from erasing on special typewriter paper. Said to be equal in quality to the finest typewriting and printing papers, it has, in addition, that all-important factor—erasability. An ordinary pencil eraser wipes out all traces of typing error in just a few simple strokes.

* * *

Sonic Sudser

Electric machine washes clothes by sound waves. This revolutionary machine produces 6,000 vibrations a minute which press soapy water through the fabrics, dissolving and removing dirt. Since the clothes are not moved about by it, wear is reduced to a minimum, and fabrics such as lace or wool are said to be quite safe in it. Inexpensively priced, it is quiet in operation and may be used in any vessel, sink, washtub, etc.

* * *

Watches Night Watchman

Improved alarm system, checks up on the night watchman both for his safety and his diligence. When on rounds he exceeds the pre-arranged moment of arrival at a check point by a given time, a warning signal becomes audible throughout the building. Then for a short time he has an opportunity of putting the signal out of action, but when this interval has elapsed a major alarm sounds. It is possible for the watchman to choose a different order of check points during his successive rounds and if necessary he can sound an alarm at any of these stations. Installation operates on a weak current, independent of light and telephone lines.

* * *

Prolific Scribe

Flat-bed printer has "floating" lid that allows a maximum of 1½ in. clearance between lid and platen. Is especially suited for copying from books, thick bound volumes of magazines, official records, etc. Can also be used for copying originals on stiff board or heavy stock that cannot be printed on a rotary printer — such as advertising layouts, ledger cards, etc. Easy to operate, it takes up little desk space.

* * *

Rough-Use Handle

Axe handle of molded Fiberglas reinforced plastic is said to be about the same weight and have the same "whip" as hickory, and to "feel" superior to magnesium. If an inexperienced axe-man chops with the handle instead of the blade it won't chip or break off. Cost is only slightly higher than hickory.

* * *

Over-Night Floor

A synthetic latex emulsion which, when combined with cementious materials and aggregates, gives these normally brittle materials new qualities of resilience, elasticity, adhesion and durability is now available to Canadian industry. A non-skid material, it is excellent for floor surfacing. Color may be added during mixing. Curing process is rapid, thus greatly reducing shut-down time in busy plants. May also be used for roofing and water-proofing and for driveways, highways, airfields, etc.

* * *

Closed-Cell Rubber

Closed-cell sponge rubber material, recently developed, is available in natural rubber or as a synthetic. Composed of individually sealed cells containing inert nitrogen it's claimed to be moistureproof, soft, shock-absorbent and light in weight. According to the manufacturer it is also an excellent insulating material. Designed for use in the automotive, aircraft, appliance, air conditioning and sports equipment manufacturing fields.

* * *

Print-And-Stick

New portable, one-hand label printer and attacher is practical, compact, easy-to-use. Designed to code, identify and price film-wrapped clothing, books, boxed merchandise, etc., quickly and legibly. Prints a label ¾ in. by 1⅛ in., and uses easy-to-lead rolls of self-adhesive paper tape. For such operations as sealing parcels and posting signs—where a printed sticker is not required, there is a model which feeds, cuts and attaches self-adhesive paper tape that may be written on with pencil, ink or crayon. Sticker size is ¾ in. by ⅝ in.

* * *

New Catalogues

Wakefield Lighting Ltd., London, Ont. A 12-page catalogue, recently released by this company gives practical information data on Wakefield's many products. These include luminous ceiling, recessed and on-surface units, a new low-brightness unit, luminous indirect incandescent units and many more.

A. C. Wickman Ltd., Toronto, has published a new catalogue describing Microbore Tooling. Microbore is a single-point tool with a proven micrometer vernier adjustment. Microbore units can be applied for all types of work ranging from one-piece jobs to mass production operations, with a high degree of efficiency and economy. The compactness of these units makes it possible to cluster multiple tools into confined areas and each tool can be independently adjusted to precise limits.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Life Insurance

CONTINENTAL LIFE INSURANCE CO. business in force at Dec. 31, 1954, was $140,824,175, up 4.6% from previous year-end total of $134,167,111. New business written during the year was $14,251,264 ($15,393,880 in 1953).

Assets totaled $30,475,534, an increase of 8.6% from $28,075,064 a year earlier. Mortgages comprised 24.17% (19.55%) of total assets.

"Every effort was made in 1954 to place available funds in first mortgages," said General Manager James Hunter, "and actually the amount so invested was $2,706,551, a sum greater than the total increase in assets. However, as a result of mortgages being paid off or reduced by principal payments, the increase in the mortgage investment was $1,875,048 during the year."

Net rate of interest earned on investments rose to 4.45% from 4.20% in 1953. This was the highest yield in more than 10 years.

	1954 $	1953 $
Business in force ..	140,824,175	134,167,111
New business	14,251,264	15,393,880
Total receipts	5,091,552	4,944,627
Premiums	3,635,874	3,520,274
Int., divds., rent, etc.	1,455,678	1,249,435
Deposits	......	163,918
Policy payments ...	3,352,723	1,747,286
Exps., taxes	1,280,804	1,229,459
Sh'holders' divds. .	......	24,000
Other pay's	47,904	22,245
Inc. in ledger assets	......	1,918,378
Assets w/d	......	3,259
Trans. to gen. surp.	410,117	......
Liabs. to p'holders incl. actuarial res.	27,780,140	25,831,833
Liabs. to sh'holders	240,240	237,349
Other liabs.	527,779	399,587
Special res.	600,000	550,000
Total assets	30,475,534	28,075,064
Surplus	1,347,378	836,296
[illegible]	4.45%	4.20%

Tough Plastic Sealants Lick Porosity Problems

Good porosity may mean millions of dollars to the oil driller trying to recover petroleum from far below the surface. But to manufacturers whose successful operation depends on year in and year out top performance of their hundreds of metal processing parts, porosity can mean an annual multimillion dollar headache.

No metal is completely solid. Porosity can ultimately lead to corrosion and later a dozen or so different kinds of metal failures. This year millions of dollars will be lost to Canadian manufacturers through castings which leak under pressure testing even though brand new, or from others which become corroded much too soon.

Plastic manufacturers now claim they have the answer to a good part of this annual loss. By impregnating the tiny pores in metal surfaces—and interiors—with a tough thermosetting plastic which becomes part of the material itself, porosity problems are largely overcome. The special plastic material is capable of withstanding temperatures of from —75 to 450 deg. F., and pressures to 15,000 lb. per sq. in.

The problem of porosity is not new. The simplest and earliest method of sealing was simply to leave the parts exposed to the element where rust and oxidation often accomplished a fairly effective though not necessarily desirable job.

Later sodium silicate types of seal were developed, but these do not always stand up to today's high pressure requirements. During World War II solvent-type impregnants got quite a play. In more recent years the polyester sealing has come to the fore.

Gradually high pressures, new chemical solutions, and the tendency, particularly in aircraft manufacture, to use low-density metals such as magnesium and aluminum rolled to fine tolerances to save weight, has sharply pointed up interest in the whole impregnation question in recent years.

Applied in Vacuum

The most modern method of impregnation requires special equipment and the use of a specially compounded polyester copolymer type of plastic material. Parts to be treated are baked to remove moisture and then placed in pressure vessels called autoclaves. Air is withdrawn by introducing a vacuum for some 30 minutes. Then, without breaking the vacuum, the sealant is drawn in until all parts are completely immersed. Now pressure is applied by releasing the vacuum and introducing compressed air. This forces the impregnant into the pores from all sides. Pressure is then released, the parts are removed and cleaned with an emulsion. After cleaning the parts are cured by baking. The plastic compound in this way becomes solidified.

Modern impregnants will resist acid solutions, alcohol, ammonia, carbon dioxide, fruit acids, gasoline and related products, hydrogen peroxide, caustics, printing inks, salt water, steam, toluene and cleaning fluids.

U. S. Government has laid down rigid specifications for impregnation, especially in connection with certain defense contracts and it seems apparent that old-fashioned methods will be quickly eliminated by industry as well, because of the excellent results that are now being obtained.

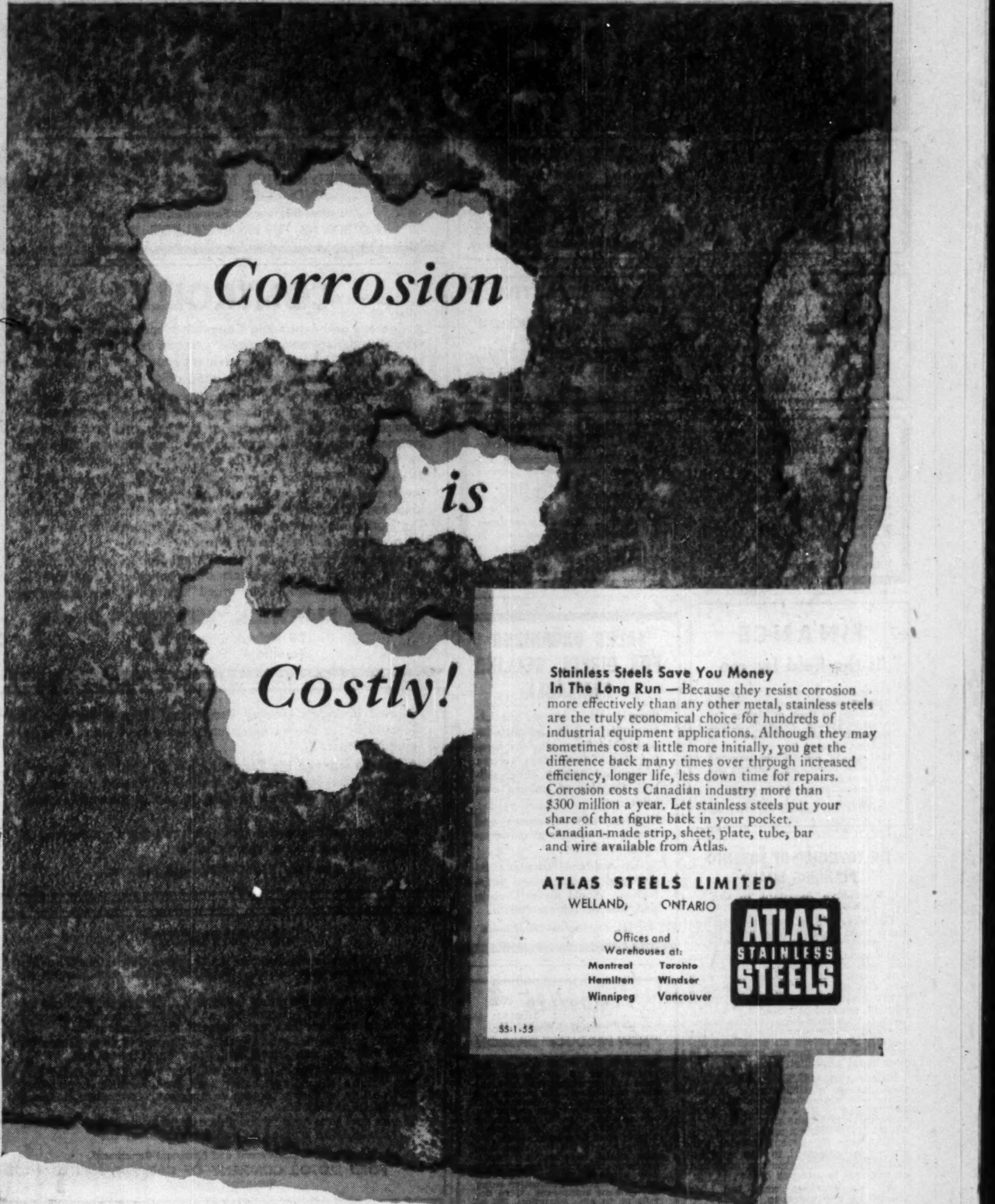
Impregnation and Plating

Sintered metal parts, those made up from compressed metallic powder, have had one distinct disadvantage in the past: it has been virtually impossible to plate them successfully. These parts had a fairly high porosity and the plating acids would penetrate the pores, later causing corrosion and the exudation of salts resulting in "spotting out," freckling and bubbles. Impregnation has made successful plating possible for the first time.

Bonding can take place between dissimilar metals of any kind as well as between metallic and non-metallic materials.

Several U. S. impregnant manufacturers have developed polyester compounds which overcome many of the former drawbacks of the earlier polyester impregnants. American Metaseal Mfg. Corp., claims to have developed an impregnant within recent years which requires no refrigeration and which has unusual "wetting" or penetration properties.

What happens from here on is limited only by imagination, the plastic people say. The impregnant can be used in many construction materials. Take wood, for instance. The impregnant could make soft white pine as hard as the toughest hardwood.



CAREERS

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PLANT MANAGER WANTED

for new steel fabricating company Southern Ontario — mechanical engineering background preferred — managerial experience necessary — must be Canadian citizen.

Box 177, The Financial Post, Toronto

SALES MANAGER

Impressive record of achievement in producing nett profit in Retail Stores. Competent organiser able to assume full control of group of stores. Inquiries invited.

Box 183, The Financial Post, Toronto.

SALES AND ADMINISTRATIVE EXECUTIVE

ten years management experience in

MANUFACTURING - ENGINEERING - CONSTRUCTION

offers

A proven and successful background of senior sales management on a national scale. Wishes to associate with a progressive thinking organization. Late thirties, well educated and with well established connection throughout the Chemical — Oil — Metals and Pulp and Paper industries.

BOX 186, THE FINANCIAL POST, TORONTO.

STEEL FABRICATION

Age 34, with 18 years' experience in all phases of steel fabrication, including pressure vessels, bulk storage tanks, steel stairs and miscellaneous light structural work. Experience includes shop work, draughting, checking, estimating sales, and presently manager of miscellaneous metals division of large metal fabricator. Wishes to relocate where above experience would be of mutual benefit.

Box 188, The Financial Post, Toronto

FINANCIAL ANALYST

Master of Commerce graduate, age 26, seeking challenging position in the financial field. Possessing intensive training in mathematics and post-graduate business administration. Financial experience as accounting supervisor and as assistant to financial executive in large corporation.

Box 181, The Financial Post, Toronto

FINANCE

is the field for me

Scottish C. A. with 3 years industrial experience, now employed in Marketing Dept. of leading Canadian Company wishes to resume financial work. Experience in budgets, finance forecasts, operating reports, sales forecasting and statistics, accounting, auditing, and procedures etc. Age 29 years. M.A. in Economics and Mathematics.

Box 174, The Financial Post, Toronto.

SALES ORGANIZER FOR DIRECT SELLING AVAILABLE

Experienced in creative speciality selling across Canada with diversified lines, requires surefire items where large volume is required through direct selling. Capable of training own sales staff.

Highest trade references and record of successful performances available.

Terms and conditions can be discussed to our mutual satisfaction. Would prefer Ontario and Quebec representation.

Box 182, The Financial Post, Toronto

THE TOWNSHIP OF TORONTO PLANNING BOARD

Executive Assistant to the Secretary-Treasurer

The Board is considering applications from persons who have had a university training or equivalent training and who are now between the ages of twenty-one and thirty. The work will be concerned with the administration of the Board's many activities such as subdivision control, general planning and liaison with the various departments of the township. The township is growing rapidly and offers an excellent opportunity for a person interested in municipal administration.

Salary range $3,500 to $4,000, depending on qualifications. Applicants are requested to write full particulars of their education. If at university level the particular field of study, work experience, giving dates, etc. A recent photograph should be attached to the application. Further information supplied on request to address below.

All applications and inquiries should be addressed to

H. S. COBLENTZ, M.R.P. B.A. A.M.T.P.I.
SECRETARY-TREASURER,
TOWNSHIP OF TORONTO PLANNING BOARD, COOKSVILLE, ONTARIO.

HUSTLER

TO HEAD UP A PROPOSED "NEW PRODUCT" DIVISION

We want a man to take on the responsibility of developing new lines and organizing the necessary sales distribution. He should have a large number of contacts (at both the manufacturing and selling levels) with firms in fields similar to our own which is the manufacture of steel kitchen cabinets. We will pay high for the right man who would have sufficient engineering background to bring in new products which lend themselves to efficient production using our present equipment. Give details as to age, education, list of all past employers and experience, and salary expected. Box 160, The Financial Post, Toronto.

AVAILABLE IN MARCH

EXPERIENCED OFFICE MANAGER, ACCOUNTANT AND COST ACCOUNTANT

Complete Information Forwarded upon Request

P.O. BOX 165, THE FINANCIAL POST, TORONTO.

CONTROLLER

A vigorous and expanding Canadian manufacturing company with distributing outlets across Canada requires a qualified accountant, (C.A. or with equivalent experience), age 32-43, as Accounting Executive at its head office in Toronto.

Applicant must have had extensive experience in industrial accounting, preferably including distribution. The position will require a working knowledge of budgets, cost control, management reporting and taxation and offers considerable scope for the design and installation of new procedures and systems.

The executive will be required to work with personnel at all levels and must have a pleasing personality. The position has long term possibilities and can provide a satisfying career. The starting compensation will be good but applicants should be prepared to invest in the future.

Applications, **to be by letter**, will be treated in confidence and should contain full particulars of qualifications and experience. Envelopes should be marked "Controller" and mailed to:

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80 Richmond Street West
Toronto 1 Ontario

One of Canada's Leading Real Estate Firms in the City of Toronto has a unique opportunity for a man with the right qualifications.

A man to manage the Commercial and Industrial Brokerage Department is being sought, and he will be offered salary, over-riding commission and share in profits; group insurance, etc.

Reply in confidence stating experience, earnings in past 5 years and enclosing recent photo, to

BOX 184, THE FINANCIAL POST, TORONTO

OPPORTUNITY

Ford of Canada requires for its Overseas Operations Division a Chartered Accountant, Certified Public Accountant or equivalent.

The man we want must have the initiative and ability to analyse financial statements and other operating reports, develop presentations and present to management.

Willingness to accept overseas assignments is a necessity. This may require travel and transfer of residence.

This is a responsible position with excellent chance for advancement, the salary being well in line with experience and ability, with complete pension, group insurance, hospital and surgical benefits.

If you feel you qualify for this opportunity, apply by letter (which will be treated in strict confidence) to:

Manager, Employment and Placement Department,
FORD MOTOR COMPANY OF CANADA, LIMITED
WINDSOR, ONTARIO

MECHANICAL ENGINEER

Medium-sized progressive company situated in Toronto has an opening for a mechanical engineer (preferably professional engineer) with good knowledge of and experience in factory organization, machining of metals, technology of metals. Some design experience, particularly in the field of machine tools or mechanisms desired.

Excellent opportunities for advancement for an energetic man with an analytical mind. Written applications with complete detailed past experience to be forwarded to,

BOX 190, THE FINANCIAL POST, TORONTO

OPPORTUNITIES

FINANCE COMPANIES

If YOU want to start, manage, buy, sell or invest in a finance, loan or discount Company OR if you know of any existing opportunity in this industry write in confidence to Edward L. Dixon and Associates 70 Hillcrest, St. Catharines, Ontario.

MANUFACTURERS REPRESENTATIVE

Long established in Edmonton, Alberta, with office and warehouse facilities desires additional textile lines for distribution in Alberta.

Box 179, The Financial Post, Toronto

INVESTIGATE BEFORE YOU SPECULATE

Before investing in Canadian mining prospects, use the services of a graduate geologist with a B.Sc. from an outstanding university and years of practical experience. Assignment, accepted anywhere in Eastern Canada on the basis of either a fixed fee or an agreed remuneration per day. Wire or write Geologist, Box 605, Montreal 3.

FOR SALE

AIRPORT, CALGARY, ALBERTA

World War emergency airfield approx. 500 Acres, all level, wonderful view. 2.7 miles runway by 100 foot wide. City water, hydro, sewerage, drainage. Hangars removed, concrete remaining in good condition with underground heating. Trackage available. Joins new proposed heavy industrial district. General Realty, 602-7th Ave. W., Calgary, Alta.

CONTRACTS WANTED

Established company in Winnipeg seeks a contract for light assembly —or packaging—or distribution of a product for the Western Market. Due to the seasonal nature of our business, there is available, space, staff, and experienced management

Box 180, The Financial Post, Toronto

British Firm interested long-term development eventually establishing Canadian Company proposes handling promising consumer lines initially subsequently entering industrial raw material fields desires contact suitable individuals firms adequately organised able to explore opportunities.

Write Box S212 c/o Streets, 110 Old Broad Street, London E.C.2 England.

FINANCE COMPANIES

If you require Capital or are interested in selling your Finance or Acceptance Company send particulars and latest financial statement to

BOX 189,
THE FINANCIAL POST, TORONTO

MANUFACTURING BUSINESS WANTED

Established Manufacturer, Southern Central Ontario will purchase going concern with development possibilities.

Range $25,000 - $100,000

Your replies will be treated in confidence.

BOX 187, THE FINANCIAL POST, TORONTO

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RAILWAY SIDINGS
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Commercial Leaseholds Limited offer a complete service on all details from original property survey to completed structure, including financing assistance. Complete project under one control by specialists in industrial design, engineering and construction. Quality construction, low costs, rapid completion, guaranteed.

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DO YOU NEED WORKING CAPITAL?

If so, we can sell your properties for cash and you may

Lease Them Back

ON FAVOURABLE TERMS

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WELL ESTABLISHED LUMBER BUSINESS

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Box 176
The Financial Post, Toronto

TREMENDOUS OPPORTUNITY

ONE OF WINDSOR'S OLDEST PLUMBING & HEATING BUSINESSES FOR SALE. ESTABLISHED SIXTY-ONE YEARS AGO. DOING FINE BUSINESS TODAY. Fine Offices and showroom facilities. Doing approx. $100,000.00 in general repair and alterations and up to $15,000.00 cash sales over the counter. Contract business as you so desire.

Owner retiring. Stock, tools and rolling equipment can be bought and present location rented to new owner who can carry on business immediately.

The new owner will automatically receive at least 75% of our repair and alteration business and the over the counter cash sale business as well. Contract work would be his own responsibility and wishes.

THIS IS A SPLENDID OPPORTUNITY FOR THE RIGHT AGGRESSIVE PERSON. ACT QUICKLY.

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Exclusive Agent

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FOR SALE

OR LEASE MAY BE ARRANGED

28,000 sq. ft. — Built 1951 — 3,000 sq. ft. of beautifully appointed offices on second floor — Located in dense labour area — City Transportation with no extra fares — Drive-in and Truck level shipping — Includes many extras — Early possession.

Will sell if preferred.

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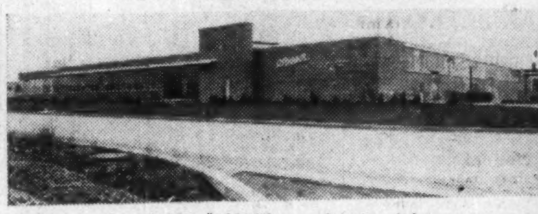

Project #122 Allanson Armature Ltd.

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- DESIGNED by Professional Architects and Engineers
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FINLEY W. McLACHLAN LTD.
195 FAIRBANK AVE. RE. 1138 TORONTO

CLASSIFIED ADVERTISEMENTS

CLASSIFIED ADVERTISING RATES

Flat rate, per word .... .12c
Minimum charge $3.00
Each initial, figure or fraction, abbreviation and sign counts as one word; if a box number is desired, the words "Box 100 The Financial Post, Toronto," count as six words. When replies are mailed to advertiser, 15 cents extra is charged. Closing date—Copy must be in Toronto office by Tuesday a.m. Classified advertising is strictly cash in advance.

POSITIONS WANTED

MARITIMES SALES REPRESENTATIVE WOULD BE INTERESTED in joining aggressive firm offering opportunities for advancement. Have nine years proven sales ability covering Maritimes, and Newfoundland, for large Maritime firm in industrial, automotive, and appliance fields. Presently employed, own new automobile, married, age 31, located in Saint John, N.B., have excellent connections throughout territory, available March 30th/55. Please reply Box 501, Saint John, N.B.

WESTERN LAWYER, early thirties, married, with considerable petroleum industry experience, desires to associate with progressive enterprise or professional group on west coast or in Eastern Canada. All replies confidential. Box 158, The Financial Post, Toronto.

POSITIONS AVAILABLE

APPLICATIONS WILL BE RECEIVED by the undersigned up to 5 p.m. Friday, March 4th, 1955 for the position of City Engineer for the City of Prince Rupert. Applicants must have had previous municipal engineering experience and be a member of the Association of Professional Engineers. Applications to state age, marital status and previous experience. Please state salary expected. R. W. Long, City Clerk-Comptroller, City Hall, Fulton Street, Prince Rupert, B.C.

Business Opportunities

$3000 required to pay expenses incurred from prolonged treatment of young child's club foot condition. Have some security. Would repay $75 monthly at a good rate of interest. Box 178, The Financial Post, Toronto.

ADDITIONAL LINES REQUIRED

Industrial and construction products preferably of a mechanical nature to sell and distribute in the Edmonton area, Box 163, The Financial Post, Toronto.

POWER LINES WANTED FOR NEWFOUNDLAND

ACTIVE AGENCY in Newfoundland requires complete line of pole line hardware, wires and cables, transformers and other power and telephone line equipment. Also other lines required such as food lines and furniture. Factory commission basis only. Reply to Box 175, The Financial Post, Toronto.

ADDITIONAL LINES WANTED

AGGRESSIVE bi-lingual sales organization calling on Federal, Provincial and Municipal Governments; pulp and paper mills and woodlands divisions; general contractors and sub-contractors; mines; mills; foundries; machine shops, and most other industries. Quebec City office handles that part of Province situated East of Three Rivers with balance of Province handled by Montreal Office. Will accept lines for either or both territories. We buy for our own account for resale. Have our own shop and sales room. We service products we sell. Send literature illustrating and describing your lines to: Products and Services Limited, 247 Boulevard des Capucins, Quebec, P.Q.

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Manitoba Government Plans Record Spending In '55-56

From Our Own Correspondent

WINNIPEG — Record spending of $58,318,564 is planned by the Manitoba Government for fiscal 1955-56, according to main estimates tabled in the Legislature by Provincial Treasurer R. D. Turner.

The increase over the revised estimates for the current year is $1,126,384 — or roughly 2%.

No new spending policies are involved, and on the whole the estimates indicate a "hold the line" policy by the Government. The increase is accounted for almost entirely by heavier education and health and welfare costs, as existing policies in these fields cost more to fulfill.

Six of the 14 departments will spend less in 1955-56, and the remaining eight will spend more.

Public Works, Health and Education departments will continue to be the big spenders, between them accounting for about 80% of the total outlay.

Public works will take $16,966,200 against $17,014,348 in the current year; education $12,066,680 ($11,465,895); and health and welfare $11,998,833 ($11,435,395).

The increases for health and welfare and education departments together are greater than estimates as a whole.

A sizeable increase is listed for the industry and commerce department—$445,065 against $423,966 — and Mr. Turner said this resulted chiefly from the decision to set up a Manitoba Trade Commissioner in London. The appointment of R. Murray Armstrong to this post was announced recently, and the office will be opened early this summer.

Revenue Declines

Both Premier D. L. Campbell and Mr. Turner have warned of declines looming in the province's main revenue sources in 1955-56. They have forecast smaller income from the tax rental agreement with Ottawa, and from profits of the Liquor Control Commission.

The increased spending forecast in the estimates assumes greater interest in the light of the hints of lower revenues. How Mr. Turner intends to meet the heavier expenditures won't be known, however, until he brings down his budget about mid-March. There have been rumors he may raise the gasoline tax from the present nine cents a gallon (the lowest in Canada), but other hints that he won't.

Public debt and sundry charges will take less in 1955-56 as the province's debt retirement policy, followed vigorously in recent years, begins to pay bigger dividends. This item will take $7,985,613 in 1955-56—a drop of $36,334.

The biggest percentage increase is shown for public utilities department — $557,995 compared with $221,940. This is because of concentration in this department, beginning April 1, of all government activities connected with highway traffic. The highway safety program, for example, is being switched from the attorney general's department, and motor vehicle registration from treasury.

AGENCIES WANTED

ENGLISH MANUFACTURERS of paints for concrete and other surfaces and of interior plastic (texture) paints wish to make arrangements for the manufacture and sale of their products in Canada under licence. For further details write Box 907, The Financial Post, Toronto.

1955 Outlook Is Good Plastics Experts Say

Outlook for the Canadian plastics industry in 1955 is good. Although it will be more a year of consolidation within the industry —after a number of years of heavy expansion — the 5%-10% sales increase forecast for industry generally should also hold for plastics.

These were some highlights of the address of retiring president of the Society of Plastics Industry —G. Murray Scott—at the 1955 annual conference this week at London, Ont.

Over the next 12-month period, the industry should stress the following things, Mr. Scott stated:

—Continued research, particularly on the part of material manufacturers toward continued development and improvement of materials.

—Continued upgrading of finished products. Although there have been big advances in last five years, the need continues to be great.

—Standardizing raw materials and partly finished parts, as well as finished products. This is a vital need.

—Development of strong selling organizations.

Although per capita consumption of plastics by 16 million Canadians may compare favorably with U. S., the domestic industry is not adequately participating in this business, Mr. Scott claims. Customs and tariffs which control importation of plastic articles need a very thorough review to assure they are in keeping with drastic changes which have taken place in the plastics industry. Here is one example of some of the disadvantages under which the domestic molder or manufacturer operates:

If a refrigerator is to be manufactured in U. S. cost of the dye for the plastic part that may go into it, can be spread over about 10 times as many units as is the case usually in Canada. If a dye cost $10,000 and 100,000 parts are required in U. S., dye cost per plastic unit is just 10c. In Canada where only 10,000 units may be required, the dye cost per plastic unit would be $1.

The Canadian plastics industry has enjoyed a successful 1954, Mr. Scott stated. Although statistics are not available industry leaders all attest to a good year. In U. S.—using production of synthetic resins in 1954 as an index—plastics business was off about 3% from 1953. But 1953 was a record year. The Canadian picture would likely be pretty much in line with this, Mr. Scott stated.

Nuclear Radiation Results

Research at Knolls Atomic Power Laboratory at Schenectady, N.Y. and at other laboratories has shown that nuclear radiations can discolor many materials, render certain plastics tougher while reducing others to powder, change some liquids into solids and take the stretch out of rubber.

Dr. Samuel S. Jones, a General Electric Co. scientist, told the SPI this week that such radiations bring about operating problems around nuclear reactors, but offer opportunities for valuable new processing methods.

Nuclear radiation can sterilize foods and drugs, toughen certain plastics, produce insulating materials by degrading certain plastics. "Radiation will be most useful where it can be employed in small amounts to accomplish unique or unusual results," Mr. Jones said. "It does not appear that it can be expected to compete with conventional processes where it does not offer substantial advantages."

Radiation applications already being tested are for the most part those where other methods used to accomplish the same effect are "difficult or impossible," the G-E scientist said.

The limit of plastics for tooling is only your imagination, L. F. Bogart, The Marblette Corp., New York, told the conference. Little equipment is needed and with a little experience, anyone can make good tools. Tool shops capable of making plastic tools of all kinds are established in Canada.

The two resins comprising bulk of tooling applications today — phenolic and epoxy — are both thermo-setting types—that is, once hardened they cannot be resoftened by use of heat.

Phenolic poured in a previously sealed mold and cured will yield a tool which can be used for the forming of metal or other plastic products with practically no machining or alterations. This is generally the least expensive method of arriving at usable tools.

The epoxy group was introduced as laminating resins at first to replace the polyester in tooling. Reason for its immediate success was the low volumetric shrink which, with the laminating technique, enabled almost perfect reproduction of the surface used as the model. Later, by the addition of many types of filler, the epoxy as a casting resin began to play an ever increasing role in the metal forming field.

"Due to the outstanding properties of strength, inertness, transparency, durability and moisture vapor proofness 'Mylar' looks like it will eventually play a major role in the packaging field," J. C. Cawley, Du Pont of Canada, said. This polymer is the reaction of ethylene glycol and terephthalic acid. Although the film looks like Cellophane, tests have shown that it offers an entirely new set of properties.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Iron and Steel

DOMINION FOUNDRIES & STEEL LTD., Hamilton, net profit for 1954 was $3,068,469, 25.2% lower than previous year's net of $4,100,356.

In arriving at the 1954 net profit figure normal depreciation is shown in the accounts, while the tax saving on the difference between accelerated and normal depreciation is shown as a liability under the heading "Accumulated Tax Reduction." The 1953 accounts have been revised so as to be comparable.

Operating earnings, total sales and production, were each about 18% lower than for 1953, largely due to shortage of orders for steel castings and steel plate, report Chairman Frank A. Sherman and President A. G. Wright.

During the year $6 million 4½% sinking fund debentures were sold to help finance the company's expansion program, which increased the value of gross assets by $14 millions in 1954. As of Dec. 31, 1954 outstanding commitments for new plant facilities totaled $8 millions.

A modern 60-in. reversing hot strip mill, a steel making plant using the oxygen method of producing steel, the installation of a larger pickle line in the company's cold mill and the purchase of the galvanizing plant of Lysaght's Canada Ltd., constituted the year's major additions to fixed assets.

Also, the company will install a 56-in. cold reversing strip mill and a continuous galvanizing line, both of which should add to earnings in the second half of 1955, company states.

Although completed too late to materially affect 1954 earnings, the oxygen steel making plant is proving satisfactory in every way, it is stated.

With the exception of the foundry and steel making department a satisfactory level of output is expected in the first half, followed by an increased output of flat rolled steels after new equipment comes into operation.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Net profit*	$3,068,469	$4,100,356
Less: Pref. divds.	341,739	330,991
Com. divds.	1,440,000	1,440,000
Surplus for year	1,286,730	2,329,365
*After all charges including:		
Deprec.	3,047,011	2,831,382
Bd & note int.	385,665	194,179
Tax reserve	2,900,000	3,947,000
Empl. fund	1,015,927	1,277,580
Earnings per Share and Dividend Record:		
Pref.: Earned	$40.84	$53.43
Paid	4.50	4.50
Com.:		
Earned	1.14	1.58
Paid	0.60	0.60

Note — For comparison purposes, 1953 figures have been adjusted by the company to reflect changes in calculation of depreciation at normal rates rather than at maximum rates. These changes are also reflected in tax provision.

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	$3,543,117	$3,180,604
Investments†	249,930	987,430
Accts. rec., less res.	4,117,503	5,541,587
Inventories	11,849,223	12,865,897
Total curr. assets	19,758,773	22,575,538
Fixed assets*	40,649,039	29,358,877
Other assets	383,155	376,314
Total assets	60,790,967	52,310,729
Accts., etc., pay.	5,586,019	6,085,165
Debent. instal. due	352,500	......
Taxes payable	10,669	924,137
Total curr. liab.	5,949,188	7,009,302
Accum. tax red.‡	9,180,000	6,280,000
Funded debt	10,897,500	5,250,000
Capital surplus	485,800	325,800
Capital stock	17,224,839	17,384,839
Surplus	17,053,640	16,060,788
*After deprec. of	30,929,105	27,893,418
†Mkt. value	248,930	992,233
‡Tax reductions realized by claiming additional depreciation.		
Working capital	13,809,585	15,566,236

Note—At Dec. 31, 1954, outstanding commitments for new plant facilities amounted to approximately $8,000,000.

Finance

WESTERN TRUST CO., Winnipeg, net profit for the year ended Dec. 31, 1954, was $84,845, 8.2% higher than previous fiscal year's net of $78,424.

Assets under administration totaled $6,122,276, 3.9% higher than previous year's total of $5,984,101.

	1954 $	1953 $
Liabs. to public, etc.*	100,760	114,399
Shareholders' equity	1,609,725	1,396,080
*Secured by:		
Mtges. & sls. agree.	410,611	343,893
Office premises, furn., etc.	64,908	67,665
Liquid assets‡	1,234,975	1,299,226
Total	1,710,494	1,710,839
‡Incl. bonds and stocks.		
Estates account	4,411,781	4,183,442
Net profit	84,845	78,424
Earnings per Share	$8.44	$7.80
Paid	7.00	7.00

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Trend of Business

Average weekly wage in manufacturing is $58.17 in latest month, compared with $57.02 a year earlier. Average mining wage is still highest: $69.42. Not the same gain in mining wages though—a year earlier it was $69.05.

Cigarettes released for consumption by tax authorities in January were 11% more than same month last year. Total for 1954 was up 5%.

Margarine output up 14% in January from year earlier. Creamery butter production up 2% and domestic disappearance up 5%.

Wheat exports will increase by at least 5% in 1954-55, it's forecast. This would reverse downward trend since record exports of 1951-52. World import requirements of wheat expected to be somewhat higher than last season as Western European crop of poor quality. Western Europe is the largest importing area.

Chain grocery and combination meat and grocery stores saw a 12% sales gain in 1954, over 1953. Chain variety store sales rose 3%; chain women's clothing stores, 2%. But chain hardware stores sold 4% less, chain shoe stores, 2% less and drugstores, 1% less.

Personal savings at banks up 10% over year earlier, as at Feb. 9.

Bank loans against grain are now about one fifth lower than year earlier.

Milk cows on farms 1% more than year earlier, but heifers being raised for milk production estimated down 1.5%. Beef cows up 4%. Total cattle and calves on farms up 1%. Increase of 5% in Alberta, biggest of all areas. Nova Scotia and Ontario saw the only decreases in total cattle and calves.

Sheep and lambs on farms up a shade over year earlier, at end of last year. Increases in West, owing to more lambs remaining on farms—probably because of bad weather and feeding conditions last fall.

Major Weekly Indicators

	LATEST WEEK	Week Ago	Month Ago	Year Ago
Department store sales (% ch. from year earlier	+3%	+6%	+7.3%	+3%
Carloading, total .... (cars)	87,705*	69,117	84,956*	84,455*
Eastern Canada .... (cars)	58,170*	44,390	54,020*	57,619*
Western Canada .... (cars)	29,535*	24,727	30,936*	26,836*
Iron & Steel (m'fd) .... (cars)	1,333*	1,007	1,211*	1,547*
Ores, concentrates .... (cars)	3,605*	2,521	3,353*	3,188*
Base metals .... (cars)	883*	694	1,537*	597*
Lumber, timber, plywood .. (cars)	4,967*	3,615	3,957*	3,246*
Cement .... (cars)	602*	430	361*	738*
Passenger car prod. .... (no.)	7,438	7,374	5,874	....
Truck production .... (no.)	713	1,175	598	....
Bus. failures 4-wk. moving av. (no.)	36.3	32.8	31	34.8
Chartered banks				
Personal savings ..... ($ millions)	5,309	5,313	5,238	4,809
Loans outstanding .... ($ millions)	4,011	4,030	4,051	4,151
NHA mtge. holdings .. ($ millions)	90	87	79	....
Bank of Canada holdings of				
securities .... ($ millions)	....	2,120	2,266	2,282
Short term govern. .... ($ millions)	....	1,247	1,343	1,354
Long term govern. .... ($ millions)	....	861	911	905
Other securities ...... ($ millions)	....	12	12	23
Canadian dollar (U.S. cents aver.) ..	101.478	103.020	103.546	103.533
T.S.E. industrial index	384.35	383.34	376.96	323.42
Yield, 114 stocks	4.49%	4.51%	4.54%	5.43%
Dom. bond yield index ('35=100) ...	95.4	97.3	99.6	119.6
Bank clearings				
Montreal .... ($ millions)	529	505	567	496
Toronto .... ($ millions)	660	565	668	551

*Ten-day month-end period.

Facts by the Month

WHAT WE PRODUCE—	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
In all industries (Index)	254.9	256.4	253.9	250.6
In factories (Index)	258.8	258.5	256.8	194.1
Total nondurable goods (Index)	232.2	234.5	234.7	230.7
Food and bev. (Index)	214.6	246.2	256.0	243.8
Textiles (Index)	169.0	....	180.0	170.6
Clothing (Index)	149.7	151.4	149.4	156.4
Chemical products (Index)	281.1	285.3	232.8	285.2
Total durable goods (Index)	225.1	296.1	291.3	315.5
Iron & steel products (Index)	248.4	250.7	250.4	290.1
Primary iron & steel (Index)	263.3	241.0	228.8	326.4
From mines (Index)	227.5	243.7	244.8	194.1
Metals (Index)	132.5	132.1	131.3	104.1
Nonferrous smelting refining (Index)	250.4	250.7	244.6	225.8
Gold (Index)	111.3	106.0	108.0	79.0
—From farms				
•Hogs graded (000)	482	577	508	380
•Cattle delivered (000)	153	172	208	152
Flour (Index)	154.3	153.3	157.9	158.8
—From sea				
E. Coast catch ($000)	4,723	6,129	8,628	3,643
W. Coast catch ($000)	6,625	7,695	5,832	4,069
—From forests				
Newsprint (000 tons)	500	522	526	473
Pulp (000 tons)	779	837	821	737
—In powerhouses				
Electricity (Index) (seasonally adjusted)	267.9	268.3	261.8	235.2
WHAT WE SELL—				
Retail sales ($ millions)	1,006	988	978	1,088
Dept. store sales ($ millions)	153	119	97	142
•Wholesale sales (value) (Index)	358.6	385.8	387.7	343.3
Mfrs. outstdg. orders (value) (Index)	74.7	75.8	79.2	73.4
Pass. car sales (units)	16,269	15,946	23,160	21,236
WHAT'S ON HAND—				
Mfrs. inventories (value) (Index)	98.1	98.3	98.7	103.2
Dept. store stock sales ratio	2.5	2.7	3.0	2.4
SPENDING, SAVING POWER—				
Labor income ($ millions)	1,036	1,030	1,014	1,012
Dividend payments (Index) (annual rate)	255.5	254.6	232.8	243.1
JOBS—				
Employment (Index)	112.6	113.0	113.3	114.1
Mfg. employment (Index)	105.5	106.3	108.3	110.9
CONSTRUCTION—				
Contract awards ($ millions)	197	214	181	128
FOREIGN TRADE—				
Exports ($ millions)	395	362	369	361
Imports ($ millions)	337	373	332	338
MONEY—				
Money supply ($ millions)	5,435	5,300	5,386	5,134
Cheques cashed ($ millions)	14,242	13,626	13,891	12,903
Notice deposits ($ millions)	5,615	5,532	5,637	5,034
Current public loans ($ millions)	3,768	3,823	3,739	3,790
Life insurance sales ($ millions)	207	191	197	225
PRICES—				
Consumer price (Index)	116.4	116.6	116.8	115.7

Index bases: production wholesale sales 1935-39=100; employment, payrolls, 1949=100; consumer price index, 1949=100; manufacturers' inventories, outstanding orders, Dec., 1952=100.

STRATEGIC MATERIALS—Production and Supply—	Latest Month	Month yr ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	275	305	3,194	−21
Primary copper (000 tons)	26.2	17.3	275	+17
Nickel (000 tons)	13.2	12.8	144	+9
Cement (000 bbls.)	1,655	1,788	22,584	+0.7
Lumber (millions fbm)	541	467	5,984	−4
Lumber exports (millions fbm)	364	315	3,307	+16

•New items this week.

Date of issue for your file, The Financial Post, February 26, 1955

Company Report

FRASER COS., Edmundston, N.B., consolidated net profit for the year ended Dec. 31, 1954, was $4,868,171, 63.7% higher than previous year's net profit of $2,973,740. Operating earnings were $12,751,115 compared with $11,007,574 in 1953.

Operations of all pulp, paper and paperboard mills were maintained at high levels throughout the year with shipments amounting to 253,668 tons, reports President and General Manager Aubrey Crabtree. Demand for bleached sulphite pulp strengthened early in the year while demand for sulphate pulp, paper and paperboard remained about the same with little monthly variation, the president states. Prices were steady and the market competitive.

Since the greater portion of the company's shipments are to the U.S., revenue was adversely affected by the discount on the U.S. dollar, Mr. Crabtree states.

In October all outstanding 4¾% cumulative redeemable sinking fund preferred shares were redeemed at the redemption price $102. Also $350,000 principal amount 2½% serial bonds were retired.

An amount of $2 millions was transferred from Inventory Reserve to Earned Surplus.

Pending Supplementary Letters Patent to reduce authorized capital due to the redemption of 14,241 preferred shares, $1,424,100 has been transferred from Earned Surplus to Capital Surplus. In order to provide larger pensions for employees and pensioners with long service, $775,000 was paid to the Trust Fund of the Pension Plans and charged to Earned Surplus.

Capital investment in 1954 totaled $2,416,128.

The new paper machine in the mill at Madawaska had a very satisfactory startup, states the president. The addition to the steam plant at the Atholville pulpmill is expected to be completed before the end of 1955.

The eastward movement of Spruce budworm infestation has been slowed and steps are being taken to prevent it from spreading. In some unsprayed areas there has been some mortality of the standing trees. In these areas salvage operations are being undertaken.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
	$	$
Oper. earnings	12,751,115	11,007,574
Less: Bond int.	131,250	140,000
Depreciation	2,814,234	2,762,802
Depletion	301,460	303,032
Inc. tax res.	4,636,000	4,994,000
Add. Trans. from cont. res.	......	166,000
Net profit	4,868,171	2,973,740
Less: Pref divds.	53,546	67,645
Com. divds	2,226,102	2,226,102
Surplus for year	2,588,523	679,993
Times Bond Interest Earned:		
Before deprec. & depl.	97.15	78.63
After deprec. & depl.	73.41	56.73
Earnings per Share and Dividend Record:		
Preferred	•	$208.82
Paid	3.76	4.75
Common	2.16	1.21
Paid	1.00	1.00

•Redeemed in 1954.

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash & govt. bds.	$7,674,048	$8,819,605
Accts. rec. less res.	3,032,472	2,970,203
Inventories	11,811,101	8,501,795
Total curr. assets	22,517,621	20,291,600
Misc. assets	*186,801	332,919
Fixed assets•	23,091,463	23,791,029
Total assets	45,795,885	44,415,548
Accts., tax., etc. p.	8,162,547	8,793,151
Div. pay.	556,525	556,525
Total curr. liab.	8,719,072	9,349,676
Funded debt	4,200,000	4,550,000
Contingent res.	1,383,000	1,338,000
Capital stock	3,984,433	5,408,583
Capital surplus	2,665,288	1,239,765
Surplus	24,848,944	22,459,521
•After depl. & deprec. res. of	42,307,532	39,734,649

*Includes $115,188 prep. exp. carried in curr. assets in co.'s report.

Working capital	13,798,349	10,941,924

Inglis Gets Seaway Turbine Contract Worth $7.5 Millions

The largest turbine contract ever awarded in Canada and, it is said, perhaps in the world, has been made for the St. Lawrence Seaway power development.

Ontario Hydro has awarded a $7.5 million contract for 16 turbines and governors to English Electric Co. of Canada. John Inglis Co., a division of English Electric, will manufacture them in its Toronto plant. Work will start this year and last for about two and a half years. Deliveries will start in March, 1956.

Seven Canadian and European companies bid for the contract.

English Electric is owned by English Electric Co. in England. Design work and model tests for the contract were done in the parent company's plant at Rugby, England.

The turbines, together with the generators, will have an installed capacity of 1.1 million hp. Contract for the generators was awarded earlier this month to Canadian General Electric and Canadian Westinghouse, jointly.

This 1.1 million hp. makes up the total installed capacity of the Canadian half of the St. Lawrence power project. It is scheduled to start coming into service in the fall of 1958.

The turbine contract means steady work for an important part of the John Inglis organization for the two and a half years. It also puts Inglis into turbine manufacture on a large scale.

Its Toronto plant is also working on six large reversible pump turbines for Ontario Hydro's Sir Adam Beck-Niagara pumped storage scheme. Another current contract is for four 175,000 hp. hydraulic turbines for Quebec Hydro's Bersimis development, at Lac Casse.

Ontario Hydro this week awarded a contract for six 55,000 hp. motor generator units to go with the turbines by Inglis for the pump storage scheme. The $3.5 million motor-generator award went to Canadian Westinghouse.

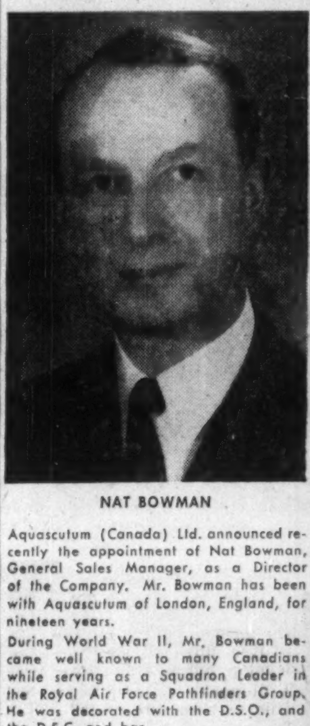
Companies in both Canada and Europe bid. How many of them, is not stated.

Two motor-generator units are scheduled for service in 1956 at the giant new Sir Adam Beck No. 2 plant; four, in 1957.

They will act as pumps when raising water from the canal into a huge storage reservoir and as generators when discharging water from the reservoir back into the canal.

ANNOUNCEMENT

AQUASCUTUM DIRECTOR



NAT BOWMAN

Aquascutum (Canada) Ltd. announced recently the appointment of Nat Bowman, General Sales Manager, as a Director of the Company. Mr. Bowman has been with Aquascutum of London, England, for nineteen years.

During World War II, Mr. Bowman became well known to many Canadians while serving as a Squadron Leader in the Royal Air Force Pathfinders Group. He was decorated with the D.S.O., and the D.F.C. and bar.

Nat Bowman is in complete charge of all sales in Canada of Aquascutum outerwear.

Rails Speed Runs To East Coast

MONTREAL (Staff)—Powerful diesels will lop off further time on railway passenger travel, this time on CNR trains between Halifax and Montreal, effective April 24. Both CNR and CPR have announced speedier service on transcontinental runs from Montreal to Vancouver.

Running time of The Ocean Limited from Halifax to Montreal will be cut by 2 hrs. 20 min. to 21 hrs. 55 min., eastbound by 2hrs. 5 min. to 20 hrs. 45 min.

The Scotian will be 1 hr. 55 min. faster from Halifax to Montreal making the trip in 23 hrs. 40 min. Eastbound the trip will be cut 1 hr. 40 min. to 23 hrs. 35 min.

The timetable of The Maritime Express is also being studied for improvements in its time between Halifax and Montreal. At present, it will continue to operate with steam locomotives.

DIRECTORY OF Chartered Life Underwriters

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● THE BUSINESS CLIMATE

As a steady reading diet, The Financial Post is a nourishing source of accurate information. It brings you informed comment on today's market and business climate, helps you to work more efficiently, to plan wisely, to profit.

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The Participating Non-voting Second Preference Shares are fully paid, non-assessable and non-redeemable, entitled, in priority to any dividends on the Common Shares, to non-cumulative dividends at the rate of 60¢ per share per annum, payable quarterly on the first days of January, April, July and October at par at any branch of the Company's bankers in Canada, far northern branches excepted. No dividends shall be declared upon the Common Shares of the Company unless there shall previously have been declared on the Participating Non-voting Second Preference Shares, regular quarterly dividends for four consecutive quarterly periods, whereupon quarterly dividends may be paid on such Common Shares contemporaneously with quarterly dividends at not less than the said annual rate of 60¢ per share on the Participating Non-voting Second Preference Shares. In the event of failure by the Company to declare any quarterly dividend on the Participating Non-voting Second Preference Shares, no dividend shall thereafter be declared on the Common Shares of the Company unless and until there shall have been declared on the Participating Non-voting Second Preference Shares, regular quarterly dividends for four consecutive quarterly periods, and so on from time to time.

In any fiscal year of the Company in which a dividend or dividends aggregating 60¢ a share are paid on the Participating Non-voting Second Preference Shares and a dividend or dividends aggregating 60¢ a share are paid on the Common Shares, all additional dividends to be paid in such fiscal year shall be declared in equal amounts per share on the Participating Non-voting Second Preference Shares and the Common Shares without preference or distinction.

Transfer Agent and Registrar: The Canada Trust Company, Toronto

In the opinion of Counsel, these Participating Non-voting Second Preference Shares are a legal investment for funds of insurance companies registered under The Canadian and British Insurance Companies Act, without recourse to the provisions of subsection (4) of Section 63 of the said Act.

The Company has made application to list these shares on The Toronto Stock Exchange.

The offering of these shares does not constitute new financing by the Company and the proceeds of the sale thereof will not be paid into the Treasury of the Company.

We, as principals, offer these shares subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters by Messrs. Fennell, McLean & Seed, Solicitors, Toronto.

Prospectus supplied upon request.

Price: $11.00 per share to yield 5.45%

It is expected that Interim Share Certificates will be available for delivery on or about March 1st, 1955.

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LISTED ARE THE 50 ADVERTISERS

with the largest expenditures in the 8 English-language Canadian magazines and week-end newspapers in 1954.*

ADVERTISER	TOTAL EXPENDITURES *	EXPENDITURE IN STAR WEEKLY	PERCENT IN STAR WEEKLY
1. Lever Bros. Limited	$688,031.00	$276,380.00	40.1%
2. Procter & Gamble Co. of Canada Ltd.	661,699.00	302,200.00	45.6%
3. General Foods Limited	503,336.00	209,071.00	41.5%
4. Standard Brands Limited	439,795.00	108,400.00	24.6%
5. General Motors Limited	437,062.00	—	—
6. Government of Canada	350,216.00	107,500.00	30.6%
7. Kellogg Company of Canada Limited	325,365.00	87,850.00	27.0%
8. Chrysler Corporation of Canada Limited	320,397.00	34,105.00	10.6%
9. Kraft Foods Limited	296,802.00	104,375.00	35.1%
10. Canadian Cellucotton Products	293,793.00	140,700.00	47.8%
11. Colgate-Palmolive Limited	280,870.00	118,051.00	42.0%
12. Canadian General Electric	271,737.00	13,100.00	4.8%
13. Ford Motor Co. of Canada Ltd.	239,115.00	24,000.00	10.0%
14. Gillette Safety Razor Co.	231,671.00	108,140.00	46.6%
15. Du Pont Co. of Canada Ltd.	209,761.00	30,600.00	14.5%
16. Coca-Cola Limited	208,647.00	17,200.00	8.2%
17. Campbell Soup Company Ltd	207,109.00	121,200.00	58.5%
18. Imperial Tobacco Sales Co.	200,632.00	34,000.00	16.9%
19. Andrew Jergens Company Ltd.	199,263.00	29,873.00	14.9%
20. Ponds Extract Company of Canada Ltd.	198,332.00	52,414.00	26.4%
21. H. J. Heinz Co. of Canada Ltd.	180,320.00	45,995.00	25.5%
22. Swift Canadian Company Ltd.	174,086.00	49,800.00	28.6%
23. Cluett Peabody & Co. of Canada Ltd.	172,448.00	63,680.00	36.9%
24. Dominion Oilcloth & Linoleum Co. Ltd.	169,142.00	12,400.00	7.3%
25. Nancy Sasser (Buy Lines)	164,845.00	—	—
26. Goodyear Tire & Rubber Co.	162,889.00	36,450.00	22.3%
27. Canada Packers Limited	155,740.00	50,425.00	32.3%
28. Nestlé (Canada) Ltd.	154,465.00	66,900.00	43.3%
29. Sylvania Electric (Canada) Ltd.	154,060.00	24,900.00	16.1%
30. Noxzema Chemical Co. of Canada Ltd.	145,103.00	39,200.00	27.0%
31. Canadian Westinghouse Co. Limited	143,629.00	49,280.00	34.3%
32. Trans-Canada Air Lines	134,820.00	29,200.00	21.6%
33. Sterling Drug Manufacturing Limited	133,619.00	33,832.00	25.3%
34. Canadian Kodak Limited	131,958.00	20,400.00	15.4%
35. Fry-Cadbury Limited	128,744.00	59,200.00	45.9%
36. Canadian Industries Limited	124,704.00	33,180.00	26.6%
37. Dominion Textile Co. Ltd.	122,068.00	24,400.00	19.9%
38. Frigidaire Products of Canada Limited	119,350.00	25,800.00	21.6%
39. Personal Products Co. Ltd.	114,857.00	34,775.00	30.2%
40. Sherwin-Williams Company of Canada Limited	109,056.00	36,800.00	33.7%
41. Savage Shoes Limited	104,900.00	43,800.00	41.7%
42. British Overseas Airways Corporation	104,616.00	20,360.00	19.4%
43. Libby, McNeil and Libby of Canada Limited	103,650.00	34,000.00	32.8%
44. General Steel Wares Limited	99,246.00	35,275.00	35.5%
45. Outboard Marine & Mfg. Co.	98,638.00	22,610.00	22.9%
46. Sunbeam Corporation	96,376.00	2,620.00	2.7%
47. Quaker Oats Company of Canada Ltd.	95,362.00	59,175.00	62.0%
48. Lambert Pharmacal Company	94,619.00	1,500.00	1.5%
49. S. C. Johnson & Son Limited	92,095.00	44,800.00	48.6%
50. Bristol-Myers Company of Canada Ltd.	91,571.00	38,025.00	41.5%
	10,440,609.00	2,957,941.00	28.3%

* The publications included are The Star Weekly, Weekend Magazine, Canadian Home Journal, Chatelaine, Maclean's, New Liberty, Reader's Digest, and Time Magazine.
Firms selling Alcoholic Beverages are not included as four of the eight publications do not carry this classification.

Authority: Toronto Star Records Dept.

The Financial Post

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ENERGETIC PROOF that the handicapped are not helpless is Carl Bennett (left) blind gauge setter who hiked production rates. Men like Bennett, Bill Billman, the one-armed elevator operator, and Andrew E. Clarke, active paraplegic executive, demonstrate that handicaps can be overcome.

They Employ Disabled, Good Turn Plus Profit

'Halt and Lame' Prove Selves in Industry

A blind engineer boosts production by 17%. A railwayman who lost a leg makes a keen clerical worker. A paraplegic radio announcer works from his wheelchair. These are just a few examples of the roles disabled Canadians are playing in industry today. This is the story of how business and our welfare agencies have put Canada near the top in industrial rehabilitation.

By JON W. KIERAN

Engineer Carl Kirk Bennett sets delicate production gauges for a Toronto firm manufacturing precision parts for aircraft engines. He works within tolerances of 1/10,000th in. . . . tolerances too fine to see even if he wasn't blind.

Lucas Rotax, the firm which employs him, might reasonably be acclaimed for its philanthropic gesture in giving him a job, some persons might think. Yet nothing could be further from the truth.

Lucas Rotax, though sensitive and sympathetic to the problems of the disabled, employs Bennett for one basic reason. He's a valuable employee who earned his job in direct competition with sighted workers.

An isolated case? No. Simply a dramatic one. Yet significant in that Lucas Rotax is British-financed and thereby somewhat more experienced with the nature of finding jobs for the disabled.

Canadian and U. S. employers, within Canada, are learning something relatively new about the employment possibilities of the disabled. As one man put it (Avro Aircraft manager F. T. Smye): "Employing the disabled is no longer a philanthropy . . . it's good business. Good for the community, the individual, and the corporation."

In some dramatic cases Mr. Smye can prove his contention with production cost statistics right in his Malton, Ont., plant. He cites the cases of the blind men and the muscular distrophy victims who sort tiny nuts and bolts out of waste materials.

Prior to Avro's employment of the handicapped persons, this material was lost because able-bodied men and women would not accept such jobs permanently because they were too boring.

No Boredom For Them

Yet the handicapped, desperate to prove their remaining talents and deeply ambitious for independence enjoy such occupations. Providing (and this is the key) the right person is selected for the right job.

Rehabilitation men here, both in government and private agencies, have long sensed that firms with U. K. connections are more inclined to hire handicapped workers. The reason: Britain has a handicapped persons employment act and British industries must employ a small percentage of disabled workers. British management teams and senior plant workers not only expect to hire the handicapped when they come to Canada . . . they actually want to.

Naturally this British legislation has been studied closely here, yet few Canadians would go so far as to insist on employment by legislation. And, in fact, there appears to be little need for it if the current trend of industrial acceptance of the disabled continues at its present pace.

One subtle trend that is apparent already is the placing of "key handicapped workers" in the newly formed subsidiaries of British firms and in obviously receptive native ones. Although no one readily admits it, rehabilitation executives seem to place their best men in sympathetic firms . . . so that Canadian labor users yet to appreciate the handicapped may be impressed with the results.

Not all the credit goes to British firms, of course. Many handicapped are employed in Canadian- or U. S.-financed firms simply because their management knew it was good business, or good public relations. Yet somehow the British-financed seem to understand the capacities of the disabled quicker and they require less selling effort on the part of rehabilitation experts.

Eugene Sparrow, chairman of Ontario's pace-setting Workmen's Compensation Board, summed up the situation this way: "Gainful employment of the handicapped is increasing all across North America. To a degree British firms are the most sympathetic because they've already proved to themselves that it's not charity . . . but good business."

Got Start in War

The obviously handicapped worker began to come into his own during the bottom-scraping of the labor barrel in the early days of the last war. At that time employers everywhere were willing to be shown and agencies like the National Society for the Deaf and Hard of Hearing and the Canadian National Institute for the Blind were quick to gear their pioneer employment training practices to the emergency.

Properly placed disabled workers began proving that their job appreciation, low accident and absenteeism rates, and their usual desire to out-produce the able-bodied made them valuable long-term employees.

With the coming of peace, placement of handicapped workers was expected to stop, or at least slow down. But the "halt and the lame" had had their taste of freedom. As tax-paying, solid citizens, they had no intentions of giving up their hard-won paycheque independence.

Employers too began changing many of their ideas about disabled workers. The most noticeable cases were those employers who were hiring their handicapped men and women through specialized agencies operated by independent philanthropies or through the specialized placement personnel from government agencies.

Institutes for the blind, the deaf, the paralyzed and others, dealing with less specific handicaps, aided employers by providing workers hand picked and fully trained for the available jobs. Workmen's Compensation Boards, veteran's agencies, and the National Employment Service, with varying degrees of efficiency, are all striving to fit their employable handicapped into positions where the talents they have left may be utilized profitably. And they all have successes to report.

The Workmen's Compensation Boards, with their almost unlimited resources (especially in Ontario), are recording amazing successes.

Better Than California

Ontario's chairman, Eugene Sparrow, recalls a recent fact-finding visit by a California rehabilitation team. "Why," said one San Francisco expert, "you've got more rehabilitated workmen employed in your own headquarters building than we have in all of California."

And they're valuable employees, Mr. Sparrow adds. He cited the railway trainman who lost his legs, was re-educated by the Board and placed in a clerical job. The day after Hurricane Hazel struck Toronto, the amputee drove 150 miles to reach his office from his suburban home. Every time he got to a bridge he'd find it closed or washed away. He finally reached Toronto via Barrie.

Lindsay Williamson, blind placement director for the CNIB, learned last spring that the United Nations considered the pioneer work of his agency to be the world's finest in the field of rehabilitation for the sightless.

The National Employment Service, has hired war-crippled Bert Phelps to "sell" employers on the idea of hiring the disabled and his sales "tally" reaches 500 to 600 placements each year in the Toronto area alone.

The National Society for the Deaf and Hard of Hearing cite the case of two deaf-mutes who were helped to prove their value as a riveting team to a manufacturer.

Paraplegics point with pride to a wheelchair radio announcer who has marshaled his talents to fit his disability.

The current scarcity of industrial jobs has, of course, made placements somewhat more difficult than they have been at any time in the past 15 years. But even though the placement rate has fallen slightly recently those responsible for training workers and finding employment for them are openly jubilant about the prospects for the future.

Carl Bennett's Story

That's because the road to full or nearly full employment for the employable disabled is taking form. And men like Carl Bennett, the gauge setter, are paving the way.

As a young man he came to Canada from Chattanooga, Tenn., to work at his trade, master mechanic. He liked the country and he stayed for several years. He went to school at night and took his degree in mechanical engineering from the University of Toronto.

Five years ago, however, while working in New York State for a U. S. firm he lost his sight following an operation to remove a brain tumor. Some months later the vision in one eye came back . . . to 8% of normal effectiveness: enough sight to allow him to read characters two inches high, provided they are drawn in blue crayon . . . and held within three inches of his "good" eye.

For insurance purposes in New York State he was categorized "industrially blind" and refused permission to work near moving machinery. At this obviously low point in Bennett's life he returned to Canada and eventually went to the CNIB for advice.

The Institute mapped out a plan of Braille study for him and then sent him to the placement department to talk job hunting. Blind job-sleuth Harry Land had a hunch Bennett's wide mechanical engineering experience would prove interesting to Lucas Rotax and he took him to the plant one day for a talk with the firm's engineers.

Before long the engineering terms flew so hot and furious that neither Land nor the company's personnel manager could keep up . . . but the engineers were talking Bennett's language and he was soon proving to them how he could set their delicate gauges.

He reported for work the following Monday.

He Boosted Output

Fifty to 60 gauges was the top production rate when Bennett joined the firm, but his nimble fingers and delicate touch soon changed that. He turned out 60-70 per day and consistently out-produced the sighted technicians.

Lucas Rotax's high precision production machining calls for a great number of gauges . . . more than any one man could set in a day. And who'll get the next setting job that's vacant? Probably a blind man, says personnel executive Allan Mark.

"Carl is giving up a couple of nights a week to teach other blind men how to do it and any man the CNIB recommends to us will certainly get full consideration. That's because we're so satisfied with Bennett," Mark says.

And what does Bennett think of it? "Well," he drawls, "we don't know too much about giving a blind man a chance to prove himself in the States . . . but here, I did get a chance and I'm deeply grateful to prove that I'm still useful. If I can help train other blind men or if I can make it easier for other handicapped people to get a job then it's only fair for me to do so."

Lucas Rotax already has four handicapped workers in its plant and it probably will add to that number whenever a rehabilitation agency believes it has the right man for any job that's open. That means that the firm probably will continue to deal only with specialized agencies, rather than individual disabled persons or such agencies as the NES which can't afford the specialized training given by the CNIB, the Paraplegics Association, or the Workmen's Compensation Boards, with their wider sphere but greater resources.

On the other hand, one large manufacturing firm doesn't know how many handicapped workers it has. No record is kept but a company spokesman "thinks" there must be about 50. "If the men can do the job . . . that's all we ask," the general manager said.

Stick With Jobs

This attitude is commended by Dr. W. G. Scott, an advisor on disabled persons employment possibilities to the National Employment Service. Dr. Scott cites the fact that NES has made more than 110,000 placements since the handicapped persons department opened. "And when the disabled are placed," he adds, "they stay placed."

According to Dr. Scott, "We're all handicapped in some way." But some handicaps are so severe that they require concentrated and costly training to overcome.

There has been, Dr. Scott reports, a tremendous change in employer attitude since 1940. During the past 15 years, he says, the private and government agencies have been working together on over-all plans and on individual cases to sell the idea that disabled people, if properly selected and trained, can be an asset to an industrial firm.

In some ways, however, we are not as far advanced as other countries. Rehabilitation of the blind, of course, is well advanced in Canada, more so than in most if not all countries. But in the wide field of utilizing the remaining talents of all the disabled, the British and to a lesser degree the Americans, have progressed further. The British have an amazing record by virtue of their compulsory employment law and for 30 years now the U. S. has given national emphasis to plans aimed at employing the handicapped . . . and this is proving valuable in many highly industrialized areas.

The American lead in national policy is balanced, though, by Canada's lead in rehabilitation of workers disabled on the job.

But who leads whom is of little real importance in the world of rehabilitation. It is one field where national boundaries and all interests (except financial) rarely seem to conflict.

An Amazing Venture

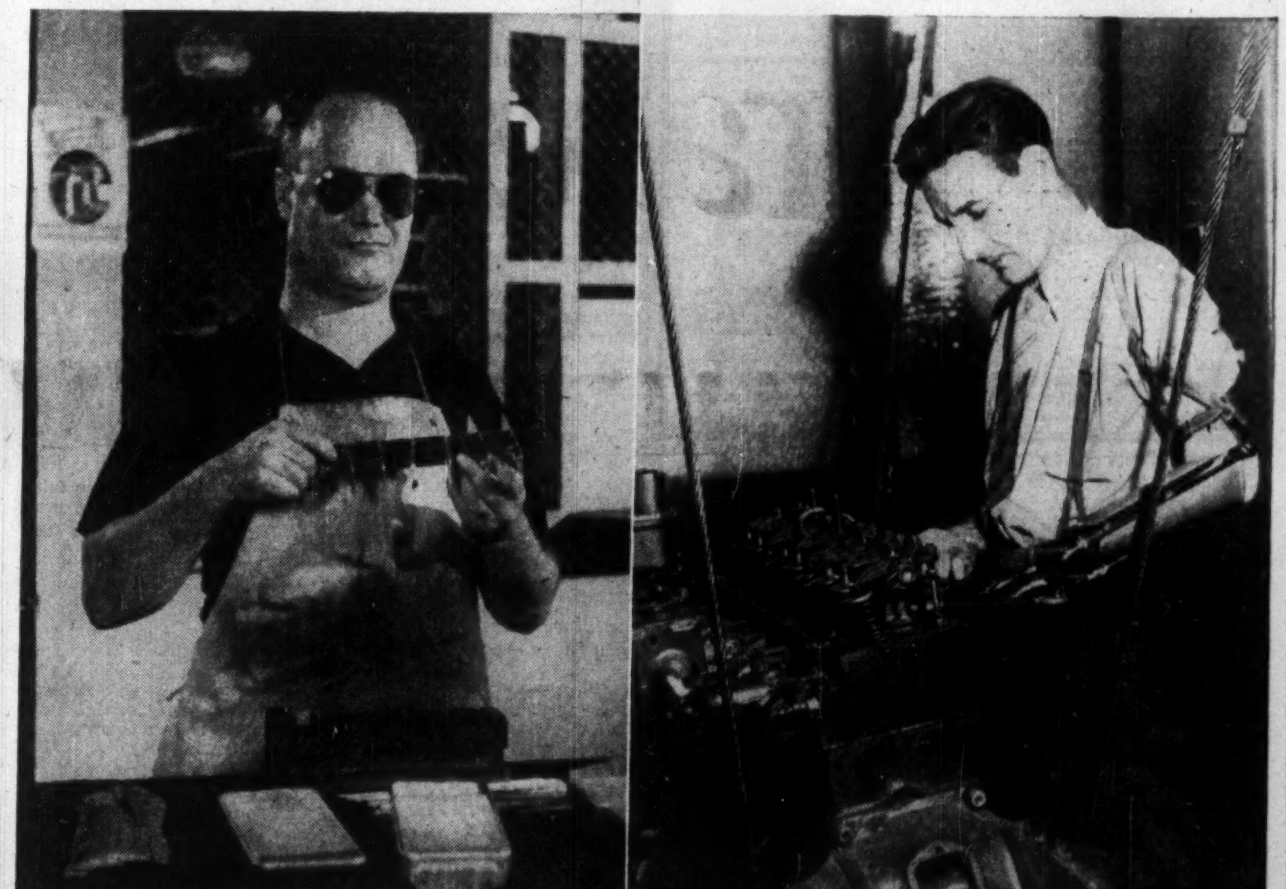
For example, Henry Viscardi, Jr., the founder of Abilities Inc., may be invited to visit Canada later this year. Mr. Viscardi, without benefit of legs but with the moral support of Bernard Baruch, established Abilities Inc. at West Hemstead, N.Y., to produce delicate electronics equipment. He employs some 160 persons, all of them seriously disabled. Yet last year the firm produced $640,000 worth of apparatus.

There is room in Canada for such a movement, many senior rehabilitation men say, and some Toronto businessmen are actively studying that type of sheltered workshop. One known major supporter is Ontario's Workmen's Compensation Board.

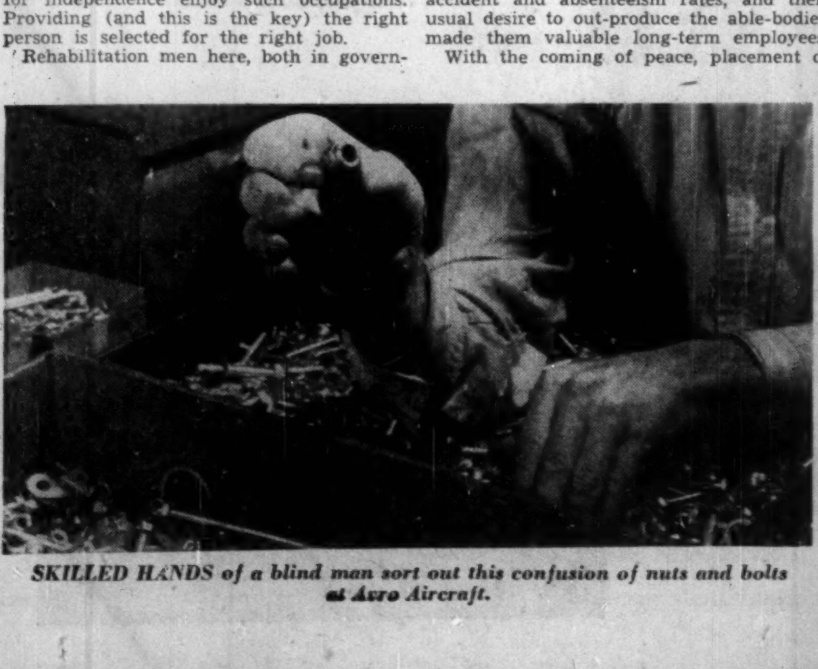
Meanwhile, the day-to-day routine of training and placing goes on, if anything, accelerated by the current employment slump.

Says blind Lindsay Williamson, who has worked as a lumberjack, mechanic, factory hand, and executive since losing his sight: "All we ask of the employer is, 'Have an open mind . . . look into it with us.'"

It's a philosophy shared by all other rehabilitation and placement men . . . and according to the firms who've tried it, it pays dividends—not only in citizenship and human values but in production efficiency too.



SIMPLE OPERATIONS or complicated machinery are handled by the disabled, as demonstrated by the blind man assembled ice cube trays and (right) man with an artificial arm reboring an automobile motor.



SKILLED HANDS of a blind man sort out this confusion of nuts and bolts at Avro Aircraft.

PUBLIC RELATIONS IS COMMUNICATION

It is not a mumbo-jumbo art of mass persuasion, an erudite term for press agentry with spats. Public relations has been defined as the sum total of a company's relations with the public.

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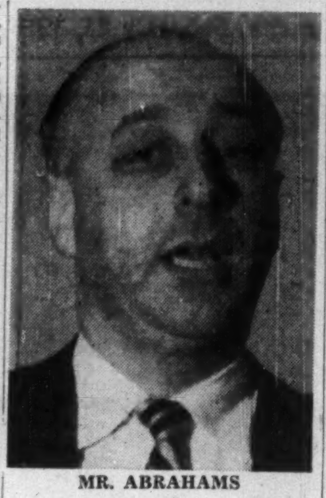
They Studied Their Market

How U.K. Firm Made And Sold Topcoats In Canada

MONTREAL (Staff)—Gerald M. Abrahams, a live-wire Londoner, makes raincoats, and topcoats doubling as raincoats. In fact, as board chairman of Aquascutum & Associated Companies Ltd., 100 Regent St., he controls a worldwide business in raincoats and topcoats, reaching out into 33 different countries.


MR. ABRAHAMS

Aquascutum turned out its first garment in 1851. But what makes it interesting for Canada is the volume of business it is now doing in this country, and the fact that this volume is based on one cardinal rule: give Canadians what they want.

Five years ago, Aquascutum decided to invade the Canadian market in a big way. It was already shipping in a little, but Abrahams was far from satisfied, felt there was all kinds of room for more. So he took a bold step, and set up a Canadian manufacturing arm to make finished coats out of cloth brought in from the United Kingdom.

In Canada for the 24th time since 1950, Abrahams told The Post of results to date:

—In the first year after the Canadian production subsidiary went into operation, sales volume tripled.

—Volume is now 20 times as high as pre-1950, and still climbing.

—Production facilities were expanded recently, and floor space in Montreal boosted by 50% to a total of 12,000 sq. ft., to handle the increased business.

—Plans are now being laid to export one or two specialty items into the United States from Canada.

They Studied Market

Some British exporters bogged down in the Canadian market might well take a leaf from the Aquascutum notebook.

For Abrahams' big company examined Canada closely, and realized early in the game that Canadians have their own special wants in clothing, as in other things. That Canada—4,000 miles from coast to coast—has regional differences in climate, taste and outlook which play a vital role in sales, and present marketing problems not present anywhere else.

That, in a nutshell, is the key reason for the investment in Aquascutum (Canada) Ltd., now paying off so well, according to Abrahams.

"Having a team in Canada, and constantly coming here myself, adjusting and amending styling and fabrics," said the chairman, "being able to give service, working every week with store buyers and salesmen. This just can't be done from 3,000 miles away."

Aquascutum's two biggest sellers are a worsted gabardine all-wool topcoat, and a fine poplin summer coat. It tailors them for the sometimes subtle differences in Canadian tastes, and this keeps the cash registers ringing.

Most Canadians, for instance, like their coats wide at the shoulders, narrower farther down. Britons prefer just the reverse.

Not quite so obvious are regional differences between, say, Quebec and British Columbia. Generally speaking, French Canadians are darker complexioned than west coast residents. Thus they like stronger colors. In B.C., more pastels are needed.

"We couldn't do this business if we weren't in Canada," summed up Abrahams.

The Company's Plans

Aquascutum (from the Latin for "water" and "shield") is one of the two biggest outfits of its kind in Britain. According to Abrahams, chairman since 1946, it's the first British textile firm to set up a manufacturing operation in Canada. At the same time, the Canadian arm is the first production unit established by Aquascutum outside the U.K.

What's it planning now for the Canadian subsidiary?

One item expected to be available by fall here is a new raincoat made from the same kind of cloth used on the Everest expedition. Produced from sea island cotton, the cloth weighs only four ounces to the yard, and coats will likely sell from $60 to $85. In addition, the company is planning to make one or two items for export to the U.S.—golf jackets, for instance.

Currently, employment in the Montreal factory is running between 60 and 70. Staff is entirely Canadian except for top personnel. Abrahams won't disclose dollar sales, but says they now include "many thousands" of coats.

Alcan Building Kitimat Addition With Own Firm

MONTREAL (Staff) — There'll be construction work available for private firms on Aluminum Co. of Canada's new $45 million smelter expansion at Kitimat. But not nearly so much as on previous building jobs of the big metal producer.

For Alcan — or rather a new subsidiary it has formed — is becoming a general contractor.

Contract for the smelter expansion has been awarded to Saguenay-Kitimat Co., a newly organized subsidiary whose operating headquarters will be in Kitimat and head office in Montreal. A temporary branch will be opened in Vancouver.

Saguenay - Kitimat will be a regular general contractor, Alcan officials report, just like any other general contractor. Some sub - contracts will be let, of course, but the new firm will handle the bulk of the work itself. Previous Alcan jobs have been largely handled by outside firms.

Alcan figures it has reached the stage where a permanent construction company within its own organization is feasible. McNeely Dubose, a vice-president of Alcan, has been appointed president of the new concern.

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CITY AND DISTRICT
1846 SAVINGS BANK 1954

one hundred and eighth annual report

GENERAL STATEMENT
AS AT DECEMBER 31st 1954

assets

Notes of and deposits with Bank of Canada and deposits with chartered banks	$ 17,212,177.89	
Other cash, deposits with and balances due by other banks	3,971,888.99	
Government of Canada direct and guaranteed securities, not exceeding market value	54,506,574.69	
Canadian provincial government direct and guaranteed securities, not exceeding market value	60,762,515.30	
Canadian municipal and school corporation securities, not exceeding market value	40,938,810.33	
Other Canadian securities and shares, not exceeding market value	10,147,684.61	
Mortgages and hypothecs insured under the National Housing Act, 1954	2,709,936.00	
Other first mortgages and hypothecs, less provision for estimated loss	7,237,076.43	
Loans otherwise secured, less provision for estimated loss	4,022,767.69	
Loans without security, less provision for estimated loss	1,834,349.00	
Poor Fund investments	180,000.00	
Bank premises at cost, less amounts written off	2,500,000.00	
Other assets	2,007.98	$206,025,788.91

liabilities

To the Public:		
Deposits by and balances due to Government of Canada	$ 320,925.91	
Deposit liabilities to the public	197,208,159.64	
Poor Fund	180,000.00	
Other Liabilities	157,184.64	$197,866,270.19
To the Shareholders:		
Capital paid up	$ 2,000,000.00	
Rest Account	6,000,000.00	
Undivided profits	159,518.72	8,159,518.72
		$206,025,788.91

On behalf of the Board,
GUY VANIER, *President.*
P. ALPHONSE PERREAULT, *General Manager.*

How To Hire New Graduates—A Lesson From A University

Business and industry need each year's crop of university graduates—but do they go the right way about getting them?

To help would-be employers, the School of Business Administration at University of Western Ontario has produced a booklet on the subject.

Last year, the report says, there were over 900 screening interviews between employer executives and graduating students. Over 75% of the graduating class obtained posts as a direct result. The mean salary: $292 a month.

Now another recruiting campaign is in full swing. The school has 100 men enrolled in graduate studies, of whom 60 are ready for employment this spring. A further 50 students taking the Honors B.A. program will be ready in June. All have the equivalent of the General Arts Course plus two years of Business Administration.

Because some employers failed to obtain the results from interviews with students they might have hoped for, the school sent a questionnaire to students following the interviews last year. Here are some of the questions and answers:

—Did they feel the "Job Opportunity Form"—submitted beforehand by company executives explaining their work and its future—adequately described the Job? —Yes-60%, No-40%.

—Were the supplementary materials supplied by firms for the Placement Library adequate? Yes-30%, No-70%.

—Some companies brought a recent graduate in their employ to talk informally to interested students. Do you feel this was valuable?—Yes-100%.

—Did the interviewer establish good rapport and make you feel at ease? Yes-68%, No-32%.

—How important was the initial interview in making your decision to carry on further negotiations with the company:

(a) If this was first contact? Important-95%, Not important-5%.

(b) If had previous contact? Important-45%, Not important-55%.

—Was salary discussed in the initial interview? Yes-68%, No-32%.

—Who broached the subject? Interviewer—75%, Student-25%.

—Were other benefits discussed? Yes-20%, No-80%.

—Did you want to know about these extras at the time? No-95%, Yes-5%.

—How long do you require to decide on an offer? one week-12%, two weeks-36%, three weeks-20%, one month-32%.

Swede Scale Mfr. Opens Plant Here

A newly formed subsidiary of Aktiebolaget Stathmos, Swedish manufacturer of weigh scales, has leased a factory and office building at Toronto. The Canadian company is known as Stathmos of Canada Ltd. Its new plant has 10,000 sq. ft. floor area, reports Toronto Industrial Commission.

The parent company produces a wide range of commercial and industrial scales with capacities from a fraction of an ounce to 500 tons. It specializes in manufacture of electro-automatic scales which weigh produce or materials such as tea, cement or gravel.

L. T. Hansson will be managing director in Canada.

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WHITTLING ON THE GRAND SCALE

Paring down massive logs to the almost paper-thin plies that make up plywood board is a really massive job of whittling. But at Commonwealth Plywood the machinery of production doesn't stop at cutting. In its journey through the plant, the lumber is handled by conveyors and jointers, clippers and dryers, a long succession of machines all working at top speed.

Effective lubrication is a major problem. Commonwealth have chosen multi-purpose Alvania for *all* machinery—thereby replacing a number of lubricants used previously—a saving both in time and money.

Shell Alvania is a product of Shell Research. Its use at Commonwealth Plywood is further proof of the success of Shell's efforts to help Canadian industry.

Machinery used for producing plywood from lumber by Commonwealth Plywood Co., Ltd. at Ste. Thérèse, Quebec, is lubricated with Shell Alvania Grease.

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ANNOUNCEMENT

CHARTERED TRUST APPOINTMENTS

H. G. SOWARD

K. BURN

H. E. Langford, Managing Director of Chartered Trust Company, announces the appointment of H. G. Soward and K. Burn as Assistant General Managers. Mr. Soward has completed 27 years with the Company and has been secretary for the past 7 years. He is a Fellow of the Chartered Institute of Secretaries, a member of the Board of Regents of Victoria University and a trustee of Wycliffe College. Mr. Burn joined the Company in 1936, is a graduate of the University of Toronto and of Osgoode Hall. He will continue as Manager of the Estates Department, which position he has held for the last three years.

Railways Get A Fair Break?

Economist Urges Equality Of Opportunity With Truckers

The railways are handicapped in their struggle to meet road competition; they have obligations and costs which competitors escape, said W. G. Scott, transport economist for the Railway Association of Canada, in a recent address to Montreal Junior Board of Trade. He thought railways should not have to carry certain traffic at less than cost, truck carriers should be required to publish their rates and should be licensed. Here is a digest of his speech.

By W. G. SCOTT

What might be done to put road-rail competition on a basis similar to that of other competitive business?

First public policy must clearly recognize that in competitive enterprise there is little room for overcharging certain products or services so that others can be serviced at less than cost. The railways must be relieved of the public obligation of carrying certain traffic or providing certain services at less than cost.

If some traffic or services must be provided at less than cost for reasons of national policy, alternative means of paying must be found. Otherwise railways will lose valuable traffic. From the standpoint of transportation as a whole substantial categories of traffic will be artificially attracted by lower charges to a service which is actually the more costly to provide.

This should not be confused with the cost-of-service principle of rate-making. Demand influences all prices whether they be railway rates or the price of commodities. Only in theory is it possible to recover an equal contribution to overhead from each of a wide variety of goods or services produced by a single industry.

It does imply, however, that railway rates under competitive conditions must be treated more in the nature of prices, which in fact they are, and less like taxes as they were under monopoly conditions.

Cut Regulations

Furthermore to achieve equal competitive conditions between road and rail transportation there will have to be a substantial relaxation of regulation as it now affects the railways and a minimum of regulation applied to the trucking industry. Regulation should be revised to ensure that both rail and road transportation are able to make the most of their natural advantages.

Establishment of the principle rather than the form which this new approach should take is the important consideration at this point.

As for highway transportation there should be a licensing system based on adequate proof of public convenience and necessity, to ensure reliable and responsible operators capable of providing safe, adequate and efficient transportation. Motor carriers should also be required to publish their rates and charges and adhere to the rates as published. Their rates should be reasonable and free from unjust discrimination.

The railways have long been faced with the handicap of competing with motor carriers who are free from rate control while themselves having to disclose their rates to their competitors and to quote the same rates under similar circumstances and conditions to any and all shippers.

Such regulation of the motor carrier industry, moreover, would be in the interests of the shipping public. Complete knowledge of transportation rates, and stability of rates, would prevent unfair competition between businesses. Knowledge of the transportation charges which competing businesses must pay, whether they be higher or lower, is essential. No shipper can justly complain if the charges which he pays for transportation are made public, are reasonable, and free from unjust discrimination.

Finally motor carriers, like the railways, should be required to file operating, financial, and traffic statistics with the Federal Bureau of Statistics.

It will be apparent that these suggested regulatory requirements for motor carriers are negligible compared with those the railways have been required to adhere to for over half a century.

Road-Rail Opportunity

Finally the railways in the interests of reduced costs, and improved service, should develop to the maximum co-ordinated road-rail service. A small but increasingly important part of the railways' traffic can now be performed more expeditiously and less expensively by a combination of road-and-rail service. The recent trailer-flat car development is opening up new horizons in this respect.

Because of the large number of rates on basic commodities which contribute little if anything to overhead costs, a disproportionately large amount of the railways' overhead has to be recovered from a relatively small proportion of total rail traffic. It is this segment of the railways' traffic which has been particularly vulnerable to truck competition despite the fact that average truck costs are more than triple average rail costs — 4.5c to 5c per ton-mile compared with 1.5c per ton-mile.

Trucks have found it possible to successfully compete with railways, then, not on the basis of rail costs but rather on rail rates which, I can assure you, are very different indeed.

An understanding of the nature of the railway rate structure, designed more from the standpoint of national development than from any possible encroachment of competitors, is required, therefore, for a true appreciation of the major differences between road-rail competition, and that form of competition which is normally found in competitive business.

Regulations Irk

A second form of public obligation which the railways have been required to accept as a so-called monopolist has been Government regulation of all phases of railway activity.

They have been required by regulation to act as common carriers for all traffic which might wish to use their services; to provide adequate equipment to meet all peak demands, often a very expensive obligation; to operate services regularly — even those services which are clearly unprofitable; to charge reasonable rates and to give shippers equal rates under similar conditions; to publish all their rates and generally apply them uniformly not only to all users on a given service but even on services differing widely in costs of operation and in volume traffic.

Lack of flexibility in adjusting their rates is one of the railways' basic problems, because as an industry with substantial overhead costs they should have the inherent natural advantage over the trucking industry to vary their rates over a fairly wide range.

The trucking industry, on the other hand, with much smaller overhead costs, should under normal circumstances lack the ability to adjust their rates widely from average costs. Yet, anomalous as it may seem, the trucking industry enjoys complete freedom to alter their rates at will, whereas the railways can only change their rates within well-defined limits.

Railway rate adjustments for certain traffic and certain services, based on justifiable economic grounds, are often impossible because they would have to be extended to similar traffic or other services for which there is no economic justification.

The trucking industry only adjusts its rates where by so doing it will improve its financial position. For this reason the trucking industry has concentrated its services along high traffic density main line routes, leaving the railways to service the unprofitable branch lines. The unequal incidence of regulation, therefore, is a second basic problem of road-rail competition.

Highway Costs

Finally rail rates have to reflect the full cost of providing railway service including track provision and maintenance. Motor carrier rates at the most represent only partial cost in that part of the costs of the highway which motor carriers use is borne by the public.

The railways' right-of-way costs, for example, account for over 21% of the railways' total operating expenses, or 21c of every dollar of railway expenditure goes for construction and maintenance of their track.

By contrast only from 6% to 11% of truck costs, in the form of license fees and gasoline taxes, depending upon the size of the vehicle and the mileage driven, are for highway use.

Canadian highway costs have gone up by well over 100% since the end of the war yet license fees have remained relatively constant and the gasoline tax has gone up on an average by about 30%.

In terms of actual dollars of expenditures since the end of the war, highway expenditures, including construction costs, have exceeded gas taxes and license fees by more than $900 millions and in the single year 1952 by $200 millions.

The highway deficit in 1952 was about the same as for the eight-year period 1932-1939. Even where the construction costs are amortized over the life of the investment, the highway deficit since the end of the war runs into hundreds of millions of dollars.

A comparison of highway tax payments based on the ton-miles of use by various types of vehicles indicates that the passenger car pays from 4½ to 8 times as much as does the heavy diesel vehicle, and from 3½ to 6 times as much as the heavy gasoline-powered truck.

Where Government provides facilities at less than full cost the whole basis of competition tends to be influenced by the amount of government assistance enjoyed by each and not by natural cost advantages. For it should be remembered that shippers are interested only in competitive transportation rates, and not in comparative costs.

When competitive transportation rates are not required to reflect full costs of operation, traffic cannot help but be allocated between the different forms of transportation on the basis of artificial economic standards.

There is only one direct solution to this aspect of the transportation problem. The rates of all competing agencies must be made to reflect the true economic costs of providing transportation services.

The February Issue of
COST AND MANAGEMENT
Official Journal of the Society of Industrial and Cost Accountants of Canada
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features

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NEW YORK AGENCY: 25 Pine Street, NEW YORK 5

CONDENSED BALANCE SHEET

December 31, 1954

ASSETS		Swiss francs
Cash on Hand and Due from Banks		743 789 984.13
Coupons		6 671 531.65
Loans and Discounts		1 635 092 454.36
Investments		
Bonds Swiss fcs.	260 033 016.63	
Stocks Swiss fcs.	61 589 721.10	321 622 737.73
Syndicate Participations		5 581 224.35
Bank Buildings		11 500,000.—
Other Assets		11 093 956.11
	Swiss fcs.	2 735 351 888.33

LIABILITIES		
Deposits		2 403 572 155.40
Outstanding Checks		10 297 548.89
Acceptances		22 443 719.97
Other Liabilities		59 689 738.21
Capital		150 000 000.—
Reserve Funds		65 000 000.—
Profit Balance		24 348 725.86
	Swiss fcs.	2 735 351 888.33

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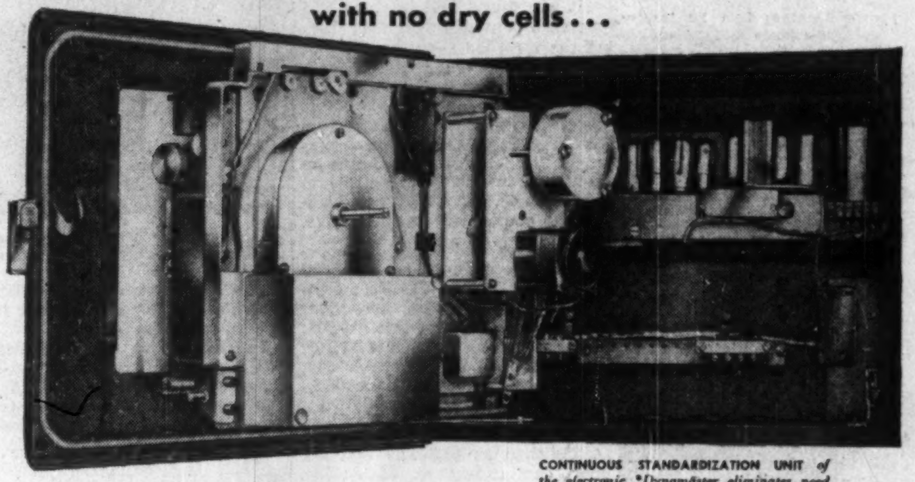

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ANNOUNCEMENT

MR. GILLES DROUIN

The appointment as from 1st January, 1955 of Gilles Drouin as Superintendent of Life Agencies for Canada for the Royal Insurance Company, Limited is announced by James Matson, Manager for Canada. Raymond H. Bertrand, hitherto Superintendent of Life Agencies for Canada, for the company, is relinquishing that position at his own request on taking up a general life agency for the company.

'54 Fire Loss Lower in N.B.

From Our Own Correspondent

FREDERICTON — New Brunswick shows a substantial decrease in total and uninsured fire losses despite an increase of fires in the province during the past year.

Figures show, Chief Fire Marshal C. M. Young said, that although 2,055 fires were recorded during 1954 — an increase of 72 over the previous year—the total loss of $2,683,195 and the uninsured loss of $767,643 represented respectively decreases of $309,972 and $232,481. However, he pointed out, this encouraging aspect of the picture was darkened by the number of fire fatalities, which rose to 24 from 18 the year before.

It was found that smoking and matches caused 692 or over 25% of the recorded fires for a loss of $114,127; the other causes were listed as follows: electrical, 198, loss $580,638; lightning 119, loss $80,043; chimney flues and pipes 297, loss $212,719; heating equipment 277, loss $376,361; sparks on roofs 32, loss $31,817; petroleum products 40, loss $32,493, and unknown causes 245, loss $1,015,770.

The fires and losses by occupancies were shown as: places of assembly, 38, loss $428,055; commercial occupancies 140, loss $414,481; garages 22, loss $70,804; manufacturing 39, loss $621,167; residential 1,728, loss $935,364; and miscellaneous 88, loss $213,-324.

The average loss per fire was established as $1,305.69 and the per capita loss at $5.20, Mr. Young said. Of the total loss, 15 fires were responsible for $1,096,-954 damage.

U. S. $ Value in Canada

Daily at Noon as Reported By The Bank of Canada
Week Ended Feb. 18, 1955

Mon.	.97 13/32	Thurs.	.98
Tues.	.97 25/32	Fri.	.98 13/32
Wed.	.97 27/32	Ave.	.98 87/160

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Swift Gives Stock for Suggestions

Swift & Co. and its subsidiary, Swift Canadian Co., have added a new twist to their 30-year-old employee suggestion plan.

In addition to the cash awards usually given for money-making or money-saving suggestions from workers, Swift is giving some of its own shares. Allowing employees to acquire shares in the firm which employs them isn't a new idea, but giving shares as suggestion awards may be.

Swift is sharing its shares only during 1955, the company's centennial year. Swift stock will go each month to each of the company's top six suggesters in North America. In addition, awards covering the whole year will be made.

First Canadian stock-winner is Frank Vella of Toronto (above, with his wife and sons Tony and George). For a suggested improvement to a machine, Vella won $2,244 and three shares of stock worth about $50 each.

Vella has been with Swift since 1949, works in the mechanical department.

His newly acquired shares have ranged in value from $41¾ to $51½ in 1954-55, recently being in the upper part of this range.

Woes For Farm Militants Portents Of Power Ebb?

Has the militant group among western farmers passed the peak of its power?

It's too early to answer that question. But the very fact that it can be asked at all mirrors an important new development in the West:

The Prairies' tough-talking, shout-for-the-farmers'-rights brigade has more troubles now than they have had in years. Only in the last few weeks has this become apparent.

Here are some of the indications:

—The drive to form a national farm union (The Post, Dec. 25), spearheaded by the militants, is being soft-pedalled. There's a suspicion this indicates the campaign has been running into trouble.

—Disagreement within the Manitoba Farmers' Union is dividing the moderates and the militants.

—Major stockgrowers in Saskatchewan are furiously at work to defeat the compulsory producers' marketing scheme backed by the Saskatchewan Farmers' Union. If the iron-handed selling plan fails to become a reality in Saskatchewan—where some members of the Government are favorable—it's likely to flop in the other Prairie provinces.

—The Farmers' Union of Alberta, always the most moderate of the farm unions, is increasingly reluctant to follow the lead of the SFU and MFU.

—The once-heralded Canadian Farmer Labor Economic Council, combining two major labor congresses and the farm unions, has been paralyzed by the clash of economic interests (The Post, Jan. 22).

If these are signs that the accumulation of power by the farm unions has been halted or reversed, the older more moderate farm federations will quietly rejoice. Their position has been threatened by the fast growth of the unions in the past five years.

Press National Plan

It's not likely that actual formation of a national farm union will be forestalled. Ex-President J. L. Phelps of the SFU and ex-President Jake Schulz of the MFU reportedly still are firm in their plan to form a national body.

Although they no longer head their respective unions, they remain as spiritual leaders of the militants. They had to back down recently on plans for a "farmers' rights" march to Ottawa. One reason: FUA wasn't enthusiastic.

Now Schulz, president of the Interprovincial Farm Union Council, has run into trouble in his own province and with his own organization.

The disagreement concerns the tentative plan for merger of the MFU and the Manitoba Federation of Agriculture and Co-operation.

Prospects have never looked good for this joining of two major rivals. Now, they look even worse.

Negotiations have been marred by personal squabbles between officials of both organizations. No. 1 figure in the fight has been Schulz. His critics in the MFAC have openly accused him of trying to sabotage the amalgamation talks. Some members of his own organization are now critical of him on the same count.

Latest development is a statement by J. L. Canart, chairman of the MFU subcommittee on amalgamation, in which he tells warring elements that negotiations are going ahead, will not be impeded by their activities.

There are moderates on both sides who are determined to give the amalgamation attempts every chance of succeeding. And it is fairly clear that Mr. Schulz does not have wide backing, even in the MFU, for his broadsides at the rival organization.

The fighting between some MFU and MFAC officials has plainly discouraged responsible men in both organizations, and they have openly declared that if a better atmosphere cannot be obtained, best solution would be a third farm group with new leaders dedicated to co-operation among all farmers.

Regulate, Not Ban 'Spreads' Que. Plan

MONTREAL (Staff) — Quebec Government will introduce legislation to regulate color of "spreads" but has turned down a demand that spreads be banned.

Margarine and other butter substitutes made with vegetable oils are prohibited by legislation enacted in 1949. However, spreads which are made mainly from milk or animal fats were not included in the ban.

Premier Duplessis made the announcement after a delegation of the Catholic Farmers' Union presented a brief which asked that spreads be banned.

COMPANY REPORTS

Insurance

SOVEREIGN LIFE ASSURANCE CO., Winnipeg, Man., new business in 1954 totaled $22,263,876, up 8.2% from $20,585,947 in 1953. At year-end, company had 62,394 policyholders with $143,297,518 insurance in force, an increase of 8.8% over previous year-end total of $131,745,817.

Total income from all sources totaled $4,955,669, a new high. Gross rate of interest earned was 4.60%, and net rate 4.20%.

Assets totaled $27,704,269 at Dec. 31, 1954, compared with $25,965,022 a year earlier. Biggest single item was mortgages, comprising 28.6% of the total (28.1% in 1953).

	1954 $	1953 $
Insurance in force	143,297,518	131,745,817
New insurance	22,263,876	20,585,947
Total income	4,955,669	4,739,820
Premiums	3,483,788	3,256,827
Ints., rents, divds.	1,189,634	1,049,065
Other income	277,247	433,928
Policy payments	1,343,641	1,395,559
Expenses	1,386,501	1,222,933
Ledger assets w/d	50,000	59,984
Deposits withdr'n	231,061	178,848
Incr. in net ledger assets	......	1,847,460
Incr. in future payments res.	1,730,718	......
Sh'holders' divds.	19,600	14,700
Incr. in unassigned surp.	174,148	20,324
Liabs. to p'holders incl. actuarial res.	25,279,652	23,800,665
Other liabs.	240,479	215,963
Prov. for pol. divds.	326,887	297,020
Sp. reserves	801,533	774,704
Liabs. to sh'holders	234,995	230,095
Total assets	27,704,269	25,965,022
Free surplus	820,723	646,575
Gross int. earned	4.60%	4.52%

WESTERN SAVINGS & LOAN ASSOCIATION, Winnipeg, total assets were $56,672,468 at Dec. 31, 1954, compared with $48,963,818 a year previous.

Capital surplus and reserves increased from $8,729,887 to $10,249,508 during the year, and savings certificates and accrued interest from $39,957,713 to $46,073,833.

Assets included $1,858,036 cash, $13,474,074 government bonds and other securities, $547,792 loans on savings certificates, $40,694,162 mortgage loans, and $98,400 other.

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A copy of the Annual Report will be supplied on request.

SUMMARY OF THE 52nd ANNUAL REPORT

	1954	1953
REVENUES	709,614	633,515
EXPENSES	408,919	386,469
OPERATING PROFITS	300,695	247,046
TAXES	107,110	106,951
NET PROFIT	193,584	140,095
EARNED PER SHARE	4.05	2.93
PAID	2.00	2.00
LIQUID ASSETS	13,418,214	11,458,383
MORTGAGES	1,283,858	1,257,526
SUNDRY ASSETS	406,952	356,100
GUARANTEED FUNDS	12,662,607	10,719,918
CAPITAL AND SURPLUS	2,086,251	1,988,167
SUNDRY LIABILITIES	360,166	363,924
ESTATES, TRUSTS, Etc.	177,933,437	170,121,731
ASSETS UNDER ADMINISTRATION	193,042,461	183,193,740

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TESTAMENTARY EXECUTORS AND TRUSTEES

Our activities in 1954

Over $115,000,000 of Investment Security Transactions in the past year

We were either the sole underwriters or were among the members of underwriting Syndicates for the following issues:

Province of Prince Edward Island
City of Quebec (U.S. funds)
City of Jacques Cartier
Town of Matane
Town of St. Vincent de Paul
Town of Shediac
Village of L'Epiphanie (L'Assomption)
Village of Norbertville (Arthabaska)
Village of Princeville
Catholic School Commission of Arvida
School Commission of Havre Aubert (Iles de la Madeleine)
School Commission of the Town of Megantic
School Commission of Village of Lac au Saumon (Matapedia)
School Commission Notre Dame Auxiliatrice, St. Jean, Que.
School Commission of the Municipality of Percé
School Commission of Port Daniel Ouest
School Commission of Riviere du Loup
School Commission of Village of Rawdon (Montcalm)
School Commission of Roxboro (County Jacques Cartier)
School Commission of St. Theophile de Beauce
School Commission of St. Antonin de Riviere-du-Loup
School Commission of St. Eleuthere (Kamouraska)
Board of School Trustees of Moncton
Protestant School Board of Greater Montreal (U.S. funds)
School District No. 3, Parish of Saumarez (Gloucester, N.B.)
School District No. 3, Blanchard Settlement, Parish of Caraquet
School District No. 8, Parish of Beresford (Gloucester, N.B.)
School District No. 13, (Dorchester Crossing) Parish of Shediac
Trustees of the Parish of L'Immaculée Conception de Ste. Adèle
Trustees of the Parish of Notre Dame de la Salette (Montreal)
Trustees of the Parish of Ste. Adelaide de Pabos
Trustees of the Parish of St. Cuthbert (County of Berthier)
Trustees of the Parish of St. Francois de Sales, Val d'Espoir
Trustees of the Parish of St. Martin de la Riviere au Renard (Gaspe Sud)
Trustees of the Parish of Saint-Pierre (Joliette, Que.)
Parish (Fabrique) of Ste. Adelaide de Pabos
Parish (Fabrique) of St. Francois de Sales, Val d'Espoir
Parish (Fabrique) of St. Jude (St. Joseph d'Alma, Que.)
Parish (Fabrique) of St. Paul Apotre, Chicoutimi, P.Q.
Parish (Fabrique) of St. Paul de Murdochville
Parish (Fabrique) of St. Yves (Sillery)
Soeurs Grises de la Croix d'Ottawa
The Sisters of Misericorde of Alberta
Soeurs de Misericorde de Montreal (Hopital Ste Marie, Trois Rivieres, P.Q.)
Soeurs Hospitalieres de St-Joseph du Nouveau Brunswick, Series "A"
Maison des Servantes du Tres Saint Sacrement de St-Jean-de-Quebec
Religieuses Trinitaires
Archeveque Catholique Romain de Moncton, N.B., Series "A"
Clercs de Saint Viateur de Montreal
Seminaire de St-Jean, Series "A"
Seminaire Sainte-Marie de Shawinigan
Aluminum Company of Canada, Limited
Canadian Bank of Commerce
Biron Knitting Mills Limited
Chantecler Hotel Limited, Series "A"
General Motors Acceptance Corporation of Canada Ltd.
Fred. A. Lallemand & Compagnie, Limitee, 5½% "preferred"
Fred. A. Lallemand & Compagnie, Limitee, Series "B"
Lower St. Lawrence Power Company "common shares"
Miron et Freres, Limitee
The Royal Bank of Canada

We have also participated in the following issues:

Government of Canada, 2%, 2¼%, 3¼%
Province of Quebec
Province of New Brunswick
Province of Nova Scotia
Province of Newfoundland
City of Longueuil
Municipality of the Parish of Trois Rivieres
School Commission of Pont Viau
School Commission of Terrebonne
School Commission of the Town of Jonquiere
Protestant School Board of Sherbrooke
Montreal Transportation Commission
Canadian National Railway Compan
Canadian Pacific Railway Company
Hotel-Dieu du Sacre-Coeur de Jesus, Dolbeau — Series "B"
Trustees of the Parish of Ste. Bibiane (Montreal)
British American Oil Company Limited
British Columbia Electric Company Limited
The Bell Telephone Company of Canada
Canadian Industries Limited
Henry Morgan & Company Limited
Husky Oil & Refining Ltd.
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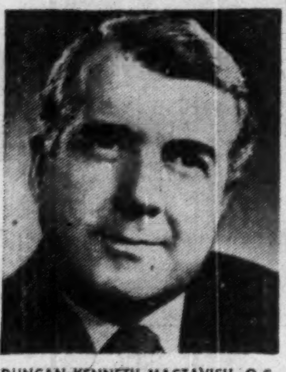
ANNOUNCEMENT

Crown Life Elects New Director



DUNCAN KENNETH MACTAVISH, Q.C.

Of Ottawa, Ontario, has been elected a Director of the Crown Life Insurance Company. Mr. MacTavish, as well as being a senior partner of the firm of Gowling, MacTavish, Osborne and Henderson, is also a Director of the Canadian Bank of Commerce and other companies, and is widely known in the business life of Canada.

Barclays Expands In East, West

A second branch of Barclays Bank (Canada) will open March 7 in North Toronto. The bank will occupy most of the ground floor of its new five-story building on Yonge St. near the northern terminus of the subway line at Eglinton Ave.

Feature of the new building is a "curtain front" of aluminum and glass, with a large show window to the left of the entrance. Floor area totals 22,200 sq. ft. Parking space for 14 cars is provided.

Manager will be Horton D. Clark, formerly assistant manager at Barclays' downtown Toronto office on Bay St.

In Victoria, B.C., work has started on another new Barclays branch. With a night depository, off-street parking area and a mail accounts division, the branch is to be opened in the downtown Jones Building in April.

Opening of the Toronto and Victoria offices will bring the total of Barclays branches to six. Two offices are operated in Montreal and one in Vancouver, where facilities were recently increased by 50%.

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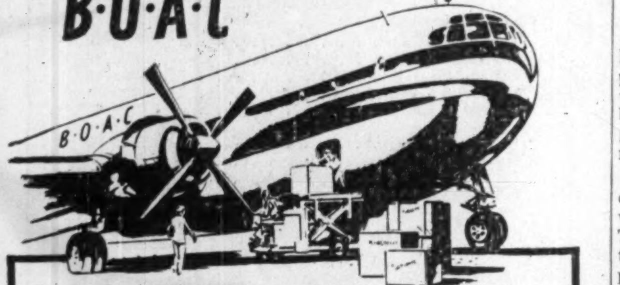

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Balance Sheet as at December 31, 1954
General and Life Insurance Combined

ASSETS

GOVERNMENT AND GOVERNMENT GUARANTEED BONDS	$7,644,785
MUNICIPAL, PUBLIC UTILITY AND OTHER BONDS	5,205,876
PREFERRED AND COMMON STOCKS	3,026,097
FIRST MORTGAGES ON REAL ESTATE	1,421,435
LOANS ON LIFE INSURANCE POLICIES	700,544
OFFICE PREMISES, LESS RESERVE FOR DEPRECIATION	199,426
INVESTMENT INCOME ACCRUED	184,664
DUE FROM AGENTS AND OTHER COMPANIES	884,194
SUNDRY ASSETS	18,539
CASH	1,165,413
	$20,450,973

LIABILITIES

CLAIMS IN COURSE OF SETTLEMENT AND RESERVES	$ 2,132,022
PREMIUM AND POLICY RESERVES	12,412,022
FUNDS ON DEPOSIT	355,978
STAFF PENSION FUND	969,481
INCOME AND OTHER TAXES PAYABLE	443,686
DUE TO AGENTS AND OTHER COMPANIES	166,026
DIVIDEND TO SHAREHOLDERS	70,721
SUNDRY LIABILITIES	17,709
CAPITAL STOCK, FULLY PAID	1,010,300
INVESTMENT AND CONTINGENCY RESERVE	1,175,000
SURPLUS	1,698,028
	$20,450,973

• • • • • • •

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YOUR INSURANCE PROTECTION

FIRE
AUTO
CASUALTY

By VINCENT EGAN

New addition to fire insurance policies on Canadian houses is an "optional settlement clause." Most, if not all, insurers are now including the clause in all new policies, and have extended it to those already issued.

Effect of the new clause is to give the homeowner a choice of two settlements in case of a loss covered by his fire insurance policy. Here are his choices, under the clause:

—Settlement may be made for the cash value of the loss, less depreciation.

—Or, settlement may be the entire replacement value, subject to an 80% co-insurance provision.

A co-insurance provision is a provision whereby the homeowner may carry insurance equal to part, usually 80%, of the replacement value of the house. Co-insurance is frequently undertaken on commercial buildings, seldom on dwellings.

How It Works

As an illustration, a certain house might cost $12,000 to replace. But the "depreciated cash value" of the house is $10,000, because it is no longer in such good shape as when it was brand new.

A spark from the chimney suddenly lights a fire on the roof, which would cost $1,500 to repair. The insurance adjuster says that the loss is $1,000 after making provision for depreciation, since the roof has been subject to the weather for several years.

If Mr. Homeowner had insured his house up to 80% of its replacement value — that is, if he carried $9,600 insurance on his $12,000 house — the insurance company would pay him the full replacement cost of $1,500 for the damage to his roof.

If, on the other hand, he carried only $8,000 insurance — that is, five-sixths of $9,600 — the company would offer him five-sixths of the replacement cost of $1,500 (that is, $1,250) under the optional settlement clause.

But if the homeowner had only $4,800 insurance on his house (half of $9,600), settlement under co-insurance would be half of $1,500, or $750.

That's where the optional settlement clause will benefit him. Under it, he has the option of taking the actual depreciated cash value of the damaged roof — $1,000 — instead of the $750.

Before the optional settlement clause was inserted, the homeowner's policy would have provided for only one settlement under these circumstances — $1,000, no more, no less. But, depreciation being largely a matter of opinion, there was always room for bargaining.

No Change In Cost

The optional settlement clause doesn't change the cost of the insurance policy. It does give the homeowner an incentive to carry adequate insurance on his house.

That's why such mortgagees as the trust companies and life insurance firms welcome the optional settlement clause. The Dominion Mortgage & Investment Association is canvassing its members this week for opinions, but several such companies told The Post that they favor the new clause.

A similar change was introduced this month in "home protector" fire policies issued by the Saskatchewan Government Insurance Office. Claims will no longer be subject to deduction for depreciation if policyholders have insured to 80% of replacement cost, said Manager H. L. Hammond.

* * *

Independent Conference Charges Copyright Abuse

One of Canada's two biggest groups of fire and casualty companies has accused the other of abusing Canada's copyright law by denying it access to material it requires.

The Independent Fire Insurance Conference, an association of 64 fire insurance companies, made the charge against the Canadian Underwriters' Association in a four-page brief to a Royal Commission studying Canadian copyright, patent, trade mark and industrial design laws. The Independents urged a change in copyright law.

"Before we make any statement," an official of CUA told The Post this week, "we are waiting to receive a copy of the brief to see what representations have been made."

The IFIC brief says that since 1931 its member-companies have been denied access to "Goad's plans"—precise surveys of major Canadian cities, showing location of buildings — to evaluate risk in setting fire insurance rates on property. The Canadian Underwriters' Association bought the copyright of the plans in 1931.

"We spent over $10,000 to get Goad's original plans, and more to keep them up to date," said R. H. L. Massie of Toronto, president of IFIC.

The Independents' brief said that the CUA has circulated the plans to allied companies in foreign countries, and that therefore the plans cannot be described as unpublished works.

Under the Copyright Act, the IFIC added, anyone may apply for a license to publish in Canada any copyrighted book if at any time after publication the owner of the copyright does not supply copies to meet market demand. Plans come within the definition of "book" in the Act.

"The Independent Fire Insurance Conference submits," the brief said, "that the refusal of the Association to supply copies to members of the public who are not members of the Association is an abuse of the protection given by the Copyright Act."

Third petition was from Provident Assurance Co., a Montreal firm now operating with a Quebec charter. It would require a federal charter to operate in other provinces.

* * *

More Competition Ahead For Insurance Companies

Three petitions for private bills to incorporate insurance companies were presented to Parliament in Ottawa last week.

Victoria Insurance Co. with head office in Toronto, expects to begin operations late in the spring if its petition is successful. Although it has asked for authority to conduct all classes of insurance except life, it would initially concentrate on fire insurance. Capitalization of the company is $1 million.

Capitalization is also $1 million in the case of Gerling General Insurance Co. of Canada, a subsidiary of the Gerling concern of Cologne, Germany. It would write fire and other classes of insurance excluding life.

* * *

Wins Insurance Award For Safety Promotion

The All Canada Insurance Federation, an association of Canada's fire and casualty insurers, has awarded $1,000 to Aurora (Ont.) Banner. The Banner won both Ontario and National 1954 awards for the weekly paper doing the best job of promoting traffic safety locally.

NOTICE

Notice is hereby given that the Indemnity Insurance Company of North America has received from the Department of Insurance, Ottawa, Certificate of Registry No. C 1559, authorizing it to transact in Canada the business of Accident Insurance, Aircraft Insurance, Automobile Insurance, Forgery Insurance, Guarantee Insurance, Plate Glass Insurance, Sickness Insurance and Theft Insurance.

H. C. MILLS,
Chief Agent in Canada.

Latest Oil Find In B. C. May Start Big Developments

From Our Own Correspondent

VANCOUVER — First commercial oil discovery in British Columbia's Peace River area announced recently might give the spark to ignite a sizeable oil play on the West Coast.

The well was drilled and completed as a potential producer by Socony-Vacuum, Shell, Gulf and Texaco, operating under the Northern Foothills agreement.

News of the strike was kept secret until drilling companies had themselves well established in the area. But there had been rumors since last November.

The well was drilled in Boundary Lake area, 45 miles northeast of Fort St John, and flowed at a rate of 9.6 bbls. per hr. on a 13-hr. restricted test flow. Previous discoveries of oil in B. C. had flowed at only 40 gal. per day — not enough for commercial production.

While the size of the latest discovery is not large, it proved to the giant companies and wildcatters alike that the remote region had oil in commercial quantities. Oil in non-commercial quantities has been discovered during the past several years at sites north, east and south of the new well.

Drillers hit oil after drilling 8,500 ft. into the Mississippian zone.

NOTICE

Notice is hereby given that Certificate of Registry No. C1561 has been granted by the Dominion Insurance Department, Ottawa, to The Dominion Insurance Corporation, Toronto, authorizing it to transact in Canada the business of Inland Transportation Insurance and Personal Property Insurance in addition to the classes for which it is already registered.

R. H. L. MASSIE,
President.

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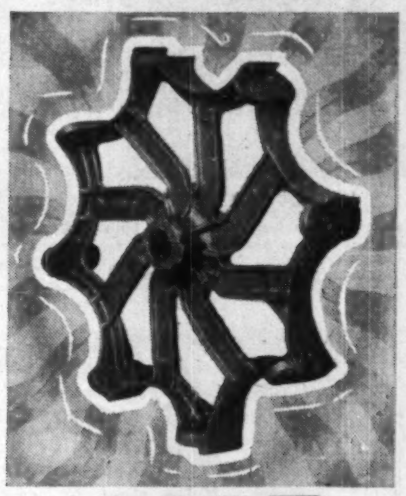

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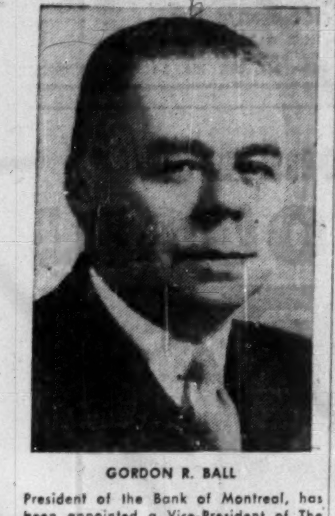
Royal Trust Vice-President



GORDON R. BALL

President of the Bank of Montreal, has been appointed a Vice-President of The Royal Trust Company.

Tobacco Tax Relief Urged In Ontario Growers' Brief

An immediate tax reduction equivalent to 3c per package of 20 cigarettes has been requested by the Flue-Cured Tobacco Marketing Association of Ontario.

A special committee appointed by the Association to study the position of the industry cited the following benefits that would result:

Cigarette sales would increase from the estimated 22.5 billion for 1954-55 to 25.01 billion for 1955-56 and 26.14 billion for 1956-57.

Consumers would benefit to the tune of some $32 millions next year on cigarette purchases. Proportionate benefits would accrue on a rising scale in subsequent years.

Growers would benefit from increased sales of cigarette tobacco of some 5 million green weight lb. in 1955-56 and proportionately more each year thereafter.

Effect on Federal Government revenue would be significantly small. Temporary losses in direct and indirect revenue over present levels would be no more than $12.3 millions, $6.0 millions and $0.2 million in the 1955-57 fiscal years. All of this would be recovered by the Treasury by 1961-62 and possibly 1959-60, the committee stated.

Lower tobacco taxes automatically "release" a significant portion of disposable income for the purchase of other commodities.

Tax Attacked

Manufactured cigarettes are the most highly taxed commodity in Canada, a taxation study by Professor D. W. Slater of Queen's University disclosed. At the present time, they are subject to a federal excise duty of $4 per 1,000 and a federal excise tax of $4 per 1,000 and 10% federal sales tax on manufacturers' value, including the excise duty. In Ontario, where no provincial tax is imposed the tax on manufactured cigarettes amounts to 54% of the common retail price in single package sales (33c), and 57% of the common retail price in carton sales ($3.09 per carton of 200 cigarettes).

Canadian consumption of manufactured cigarettes is clearly responsive to changes in price judging by the relatively sharp decline in consumption in 1951 and the sharp rise during 1953, Prof. Slater states. For instance, per capita consumption dropped from 1,240 in 1950 to 1,118 in 1951. In 1951 the combined commodity taxes on manufactured cigarettes were increased by $1.50 per 1,000 (3c per pack of 20). Consumption then jumped from 1,238 in 1952 to 1,421 in 1953. In 1953 the excise tax duty on manufactured cigarettes was reduced by $2 per 1,000 (4c per pack).

Here's how tax levels have been related to sales in the post-war years:

CANADIAN MANUFACTURED CIGARETTES

Year	Federal Ex Tax ($ per M)	Price ($ per M)	Per Capita Consump. (Number)
1946	10.00	16.50	1209
1950	10.00	18.00	1240
1951	11.50	21.00	1118
1952	10.00	19.50	1238
1953	8.00	16.50	1421
1954	8.00	16.50	1455

"All that our studies suggest is that in Canadian circumstances, the increase in sales of Canadian manufactured cigarettes in response to a reduction of taxation is larger than was commonly believed heretofore," Prof. Slater said.

The increase in the rate of taxation in 1951-52 of approximately 15% on manufactured cigarettes did not yield a net increase in Federal Government taxes. A return to a total excise rate of $10 per 1,000 during the following year resulted in substantial increases in actual level of tax collections. A reduction in excises on cigarettes by 20% during 1953-54 was accompanied by a decline of federal revenue of less than 5%, the study reveals. Indications now are that the revenue in 1954-55 will be some 2% higher than during the previous year, though tax rates are unchanged.

Bootlegging Rate

The study showed that the flow of bootlegged cigarettes into Canada, though less than at peak 1952 levels, continues to be large. It is probably not less than 5% or more than 10% of Canadian consumption of manufactured cigarettes.

The tobacco industry, in all phases, has benefited substantially from the 1952 and 1953 tax reductions. The committee "does not wish to minimize the industry benefits in any way," the committee statement on the Slater report said. "There is no suggestion of ungratefulness in the present decision to request further reductions."

The Government decided last year on a pause in these progressive tax cuts. "But the evidence seems conclusive that this year's budget is a fitting and proper occasion for resuming that progress," the committee states.

The aggregate consumption of Canadian manufactured cigarettes has increased by almost 1,000% between 1922 and 1954 compared with an increase of population of approximately 72% and an increase of total consumption of tobacco products of some 200%.

HOMER S. MARION

has been named executive vice-president and general manager, Graham Bell, Ltd., Streetsville, Ont.

Nash '55 Has Inboard Lights

Nash Motors of Canada this week unveiled its 1955 Statesman and Ambassador models. The stylewise feature: A new front end treatment with headlights in the front grille instead of the fenders.

One result will be a different look for the cars during after-dark driving hours. The parking lights—which are in the fenders—remain on simultaneously with the headlights to indicate the true width of the car.

Other Statesmen and Ambassador features:

—A new Ambassador model with 208 hp. V-8 engine.

—New wraparound windshields, the widest in the industry, says Nash.

—Fiberglas type of hood insulation to lessen engine noise.

—Optional power steering, power brakes, electric window lifts.

—The usual Nash unitized body and frame.

Staff Changes

Nova Scotia:

W. G. JOHNSTON, assistant manager, Edmonton to be assistant supervisor, supervisor's office, Montreal.

M. L. JEX, assistant manager, Hamilton, Ont., to be manager, Main & Kenilworth, Hamilton.

R. W. MANZER, accountant, Powassan, Ont. to be accountant, New Liskeard, Ont.

R. W. BOARD, to be assistant accountant, College & Bathurst, Toronto.

D. C. CAMPBELL, to be assistant accountant, Sudbury, Ont.

B. N. CHENEY, to be assistant accountant, Peterborough, Ont.

E. B. S. LING, assistant accountant, St. Catherine & St. Alexander, Montreal, to be an assistant accountant, Montreal.

R. I. MacDONALD, to be assistant accountant, Spadina & Dundas, Toronto.

F. M. MacGREGOR, to be assistant accountant, Queen & Church, Toronto.

R. S. MURLEY, to be assistant accountant, North Bay, Ont.

A. SCOTT, to be assistant accountant, Kitchener, Ont.

W. G. SMITH, to be assistant accountant, St. Clair & Oakwood, Toronto.

Rate Stiffens On Day Loans

Day-to-day loans were harder to find and more expensive this week, according to investment dealers active in this branch of Canada's short-term money market.

Average interest charged on the relatively few loans made early in the week was ¾%, although reports ranged from ½% to ⅞%. Rate prevailing throughout most of last week was ¾%.

At Feb. 16, a total of $70 millions was outstanding in day-to-day loans from Canadian chartered banks to investment dealers. This was an increase of $35 millions in one week. An unofficial estimate by a day-loan specialist at one of the largest investment houses placed the Feb. 21 total at $90 millions.

As the outstanding total increased, the banks' supply of cash for this market grew smaller. Consequently, interest rates were raised and some banks even called in all their outstanding day-to-day loans.

Another investment dealer, noting that the Bank of Canada was a buyer of bonds in the open market this week, predicted that the supply of day-to-day loans would soon increase and the interest rate be reduced. The chartered banks, heavily in funds earlier this year, had been putting their money to work by buying Government of Canada securities from the Bank of Canada, thus tightening the money supply. This trend now appears to have been reversed.

Here are preliminary estimates by the Bank of Canada of Canadian chartered banks' assets and liabilities at Feb. 9, with changes from a week earlier and a year earlier:

Assets	As at Feb. 9/55	Change from Feb. 2/55	Change from Feb. 10/54
	(millions of dollars)		
Bk. of Can. Deposits and Notes	759	—8	—153
Day-to-Day Loans	35	—6	+35
Govt. of Can. Securities			
Treasury Bills ..	467	—2	+203
All other	3,075	+13	+509
Total	3,542	+11	+712
Other Cdn. Securities			
Provincial	269	—1	+1
Municipal	180	+4	+29
Corporate	363	—4	+23
Total	812	—1	+53
Insured Residential Mortgages	90	+3	+90
Loans in Canada (ex day-to-day)			
Call and Short ..	116	—7	—91
Provincial	55	+2	+13
Municipal	102	—3	—3
Grain	398	—8	—22
Can. Svg. Bds. ..	122	—5	—15
All Other	3,218	+3	—22
Total	4,011	—19	—140
Liabilities:			
Canadian Deposits			
Personal Savings	5,309	—4	+469
All other	4,051	—75	+31
Total	9,360	—79	+500
Average Cash Reserves	Feb. 1-9/55	Jan. '55	Feb. '54
Cash Reserves	830	847	894
Ratio to Cdn. Deposit Liabilities	8.9%	8.9%	10.0%

PORTAGE LA PRAIRIE MUTUAL INSURANCE CO. increased its premium note business by $3.5 millions in 1954, reports President J. C. Miller. At Dec. 31, 1954, company had fire and windstorm insurance in force totaling $308,123,996, of which $132,854,502 was on premium note business. Year-end surplus was $1,197,784.

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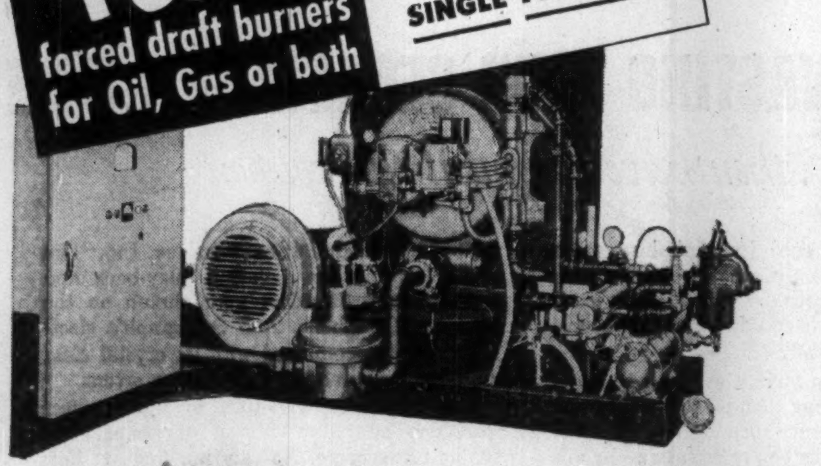

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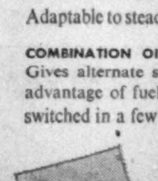

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Directors: L. E. BEAULIEU, Q.C.; C. E. BOIVIN, N.P.; EMILE CORBEIL; ARISTIDE COUSINEAU; J. LEONARD DEMERS; THE HON. J. M. DESSUREAULT; GEO. T. DONOHUE; MARCEL FARIBAULT, N.P.; OSCAR HAMEL, N.P.; ALDERIC LAURENDEAU, Q.C.; G. G. RYAN; LEO G. RYAN; C. ST. PIERRE; F. SIMARD; J. A. TRUDEL, N.P.; DR. R. E. VALIN

General Manager: RENE MORIN

Secretary-Treasurer: ROMEO BERTRAND, C.A.

Quebec Branch Manager: MAURICE DESY, Q.C.

Ottawa Branch Manager: HERMANN BONNEAU

ASSETS

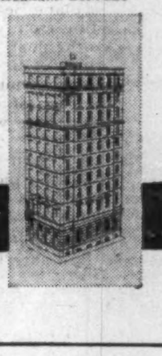
Capital Account:	
Total assets of the Company	$ 1,724,254
Guaranteed Accounts	9,814,371
Estate, Trust and Agency Accounts	113,981,686
Safe Custody Account	47,244,937
	$172,765,248

LIABILITIES

Capital Account:	
Accounts payable	$ 98,686
Reserves	69,636
General Reserve	300,000
Profit and Loss Account	150,932
Capital Stock	1,105,000
Total	$ 1,724,254
Guaranteed Accounts	9,814,371
Estate, Trust and Agency Account	113,981,686
Safe Custody Account	47,244,937
	$172,765,248

PROFIT AND LOSS ACCOUNT

BALANCE, 1st January	$ 192,330
PLUS: Net profit for the year	113,601
	305,931
LESS: Dividends	55,000
	250,931
Transferred to General Reserve	100,000
BALANCE, 31st December	$ 150,931



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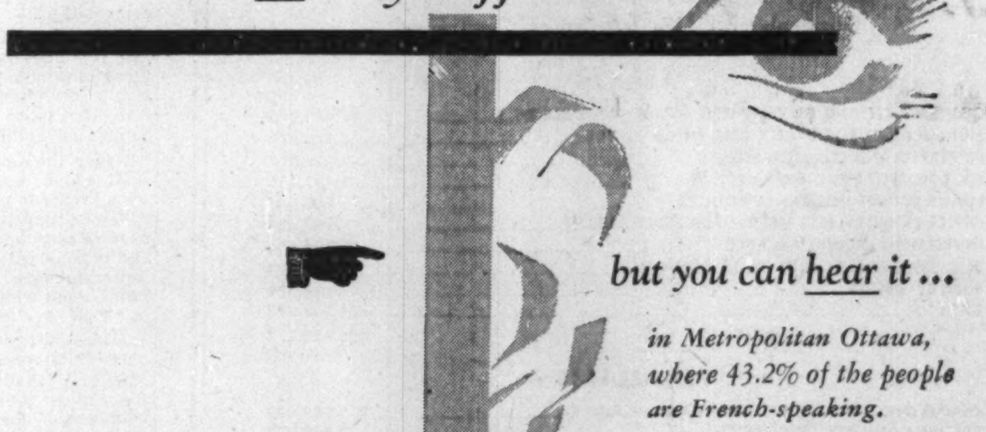
Quebec Branch: 71 St. Pierre St.

Ottawa Branch: 18-26 Rideau St.



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SO-76

How Ottawa Can Increase Tariffs, Still Keep GATT

OTTAWA (Staff)—If the Government wants to give more protection to Canadian industries by raising tariffs it will have a clear chance to do so this summer. The oft-repeated objection that tariff increases would upset our obligations under GATT will not apply.

This appears to be the first practical effect Canadian business may feel from the protracted and confused review of GATT still going on at Geneva.

Although no final decisions have been taken yet, the expectation is that the GATT signatories will agree to re-bind the present tariff schedules for a further three years. But there will be at least two ways to withdraw or renegotiate particular items where concessions are hurting:

—Before the tariff schedules are rebound, every country will have a chance to pick out the exceptions it wants to make.

—Even after rebinding, there will probably be new machinery for reconsidering particular tariff bargains with representatives of the GATT countries. It would be a sort of "escape by consent."

Canadian policy has been steadily directed toward stopping any general or widespread withdrawal of tariff concessions by other countries, even if the opportunity for it formally exists. But the revised GATT looks like falling so far short of earlier hopes that the Government may not object to raising its own tariff in one or two instances.

The Tariff Board's report on woolen cloths (The Post, Feb. 12) is only one of three reports for the Minister of Finance. The other two are on ethylene glycol (which is bound under GATT) and on polyethylene (which isn't). These two will not be revealed until the Budget, when Finance Minister Harris will also announce whether any tariff increases have been decided upon.

Favor U. K. Policy

In the Government's book at the present time the United Kingdom is the "good boy" and the United States is the "bad boy." The British are regarded as doing their best to get a strengthened GATT and an increasing relaxation of restrictions. Although convertibility is unhappily postponed, the policy of relaxing trade restrictions is being pursued; and it is hinted that some further concessions of interest to Canada are in the works.

But the United States' insistence on maintaining its system of quotas on agricultural imports is still being strongly opposed by Canada; and this Government is now bound to vote against the "waiver" which the U. S. wants from the GATT countries.

If a practical means offered for expressing Canadian discontent with the U. S. position, it would not be altogether unwelcome. Canadian ministers have tried to impress on the United States Administration that there cannot be one law for farm products, because the U. S. happens to have a price support problem, and another law for manufacturer products, which it happens to want to export.

But all earlier suggestions for "retaliation" (a word which Ottawa officially disowns) have foundered on this test: Would they hurt the U. S. or would they hurt Canada even more?

Because of this background many people think that the woolen mills would stand a much better chance of increased protection if their competition were coming from the U. S. instead of the U. K. For the same reason ethylene glycol could stand a better chance than woolen cloth. But that will depend on the Tariff Board report which will not be known until the decision is taken.

The Report On Wool

The Tariff Board report on wool has been interpreted several different ways. "Probably it was meant to be. Finance Minister Abbott did not ask for recommendations, and the Board has fallen over backwards not to make any.

This could leave the field open for quite an argument within the Cabinet; and views are known to be divided among ministers.

Some observers have pointed out a clear distinction, which emerges from the Tariff Board report, between worsteds and other cloths containing wool. For woolen cloths as a whole, says the report, the total demand "has fallen drastically since 1948." But the effect has not been as severe for worsteds as for other kinds of woolen cloth. On the other hand, British competition has been exerting a strong influence on prices: and this has been felt particularly on worsteds.

Because of this distinction, it has been suggested, the Government could logically decide to split the present tariff item, 554b.

It now reads: "Woven fabrics, composed wholly or in part of wool or hair."

A split would mean establishing a separate item for worsteds, where, according to the Tariff Board, price competition from the U. K. is particularly serious. Thus increased protection could be provided for worsteds alone. In the rest of the field, where reduced demand is blamed by the Tariff Board, duties could be left as they are.

If the Government should decide to seek a compromise, this is the line it might take. But the final decision probably will not be known until the Budget.

DH Beaver Goes Amphibious

De Havilland's versatile Beaver has appeared in a new guise.

From this summer operators will be able to buy an amphibious version of the popular seven or eight seat single-engined bush plane. Wheels have been fitted to the standard Edo floats now used on all sea-plane Beavers. In flight, or operating from water, they retract into the float. On the ground they form a four-wheel undercarriage—two main wheels toward the rear of each float and two smaller nose wheels on each front.

The new design will cost about $56,000—$6,000 more than the simple float Beaver.

Extensive tests have been carried out at the company's Toronto base and production has now begun.

Despite the extra weight and size of the equipment the Beaver's performance is little affected. Fully loaded in zero wind the take off distance is only 700 ft.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Public Utilities

MANITOBA POWER COMMISSION net profit for the year ended March 31, 1954, was $527,133, 9.1% higher than previous fiscal year's net of $483,026.

Electrical energy distributed totaled 449,485,000 kwh, 19.2% more than 1952-53 distribution of 377,173,190 kwh. Peak demand was 112,970 kwh (92,912 kwh the year before).

At the year end the system was supplying 95,879 services, 8,021 of which had been connected during the fiscal year. The trend toward the establishment of new industries in rural Manitoba is indicated by the connection of 200 additional power services, reports General Manager D. W. Fallis. Use of electric power for pumping purposes in the new oil fields (104 installations) is also noted by Mr. Fallis.

Investment in fixed assets increased by $8,488,509 to $59,584,335.

Eighty-nine cities, towns and villages served by the system made street lighting additions and improvements during the year, and 61 points now served have adopted mercury-vapor type lighting.

Volume of electrical appliance sales was slightly higher than in any previous year.

Insurance

EXCELSIOR LIFE INSURANCE CO. issued $53,266,717 in new insurance in 1954, up 9.8% from 1953's $48,517,459. At Dec. 31, 1954, insurance in force totaled $375.1 millions, a gain of 8.6% on the year.

Assets totaled $73,827,116 at year end, an increase of 8.7% over the total of $67,946,646 a year earlier. Included were $17,334,523 in mortgages, compared with $14,747,685 at Dec. 31, 1953.

	1954 $	1953 $
Insurance in force	375,102,284	345,285,943
New insurance	53,266,717	48,517,459
Total income	13,143,519	11,950,446
Premiums	9,811,577	9,022,968
Int., divds., rents	3,081,377	2,755,080
Other receipts	250,565	172,398
Policy payments	3,889,809	3,589,547
Expenses, taxes	3,422,884	3,126,163
Trans. to pol. res.	4,853,507	4,699,972
Ref. pension pay't	18,859	10,692
Assets w/d	107,842	5,082
Tr. to pol. divd. res.	......	25,000
Tr. to free surplus	558,335	253,315
Tr. to staff ins. res.	9,304	5,012
Tr. to prof decl. but uncl.	......	636
Tr. to sh'holders a/c	64,245	33,890
Tr. staff pens. cont. res.	218,734	201,087
Liabs. to p'holders incl. actuarial res.	68,620,379	63,573,054
Liabs. to sh'holders	352,857	349,602
Other liabs.	1,502,849	1,231,294
Spec. res	1,285,000	1,160,000
Surplus unallotted	2,066,031	1,632,696
Total assets	73,827,116	67,946,646
Average int. earned	4.60%	4.47%

Staff Changes

Chartered banks announce the following staff changes:

Royal:

D. M. McINTYRE, St. John's, Nfld., to be accountant, Gander, Nfld.

F. J. BASKWELL, accountant, Point St. Charles Montreal, to be accountant, Cornwall, Ont.

H. G. BUCKRELL, Pillette & Wyandotte, Windsor, Ont., to be accountant, Harriston, Ont.

W. A. PLANTE, accountant, Sexsmith, Alta., to be accountant, Pincher Creek, Alta.

R. L. WRIGHTSON, Oshawa, Ont., to be accountant, Thamesford, Ont.

D. J. BROWN, Quesnel, B.C., to be accountant, Nelson, B.C.

S. G. MERRIAM, Wolfville, N.S., retired.

J. H. PERRIN, Market, Hamilton, Ont., retired.

A. A. KINAHAN, Ouellette & Ellis, Windsor, Ont., retired.

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34 King Street East TORONTO

U.K. Steel Firm Sets Up In B.C.

From Our Own Correspondent

VANCOUVER—A British company which has described British Columbia as "the most progressive province in Canada" has opened offices in Vancouver and will set up a subsidiary company.

J. M. Sinton, managing director of Cosley Engineering Co., Wolverhampton, England, said, "B. C. appears to be the most progressive province and is taking a leading part in the country's development.

"We intend to grow with the province," Sinton said.

Cosley Engineering is one of the largest steel fabricating companies in Britain and will use Vancouver as its distributing offices in Canada.

The company, whose Canadian financing is being handled by the Bank of England, plans to build or lease a warehouse when its Canadian activities expand.

CANADA WIRE & CABLE CO. has 2,840 Class A and 204,320 Class B shares outstanding.

CANADIAN BREWERIES LTD. has issued 1,704 common shares on conversion of 4½% 10-year convertible sinking fund debentures. There are 2,590,363 common shares outstanding.

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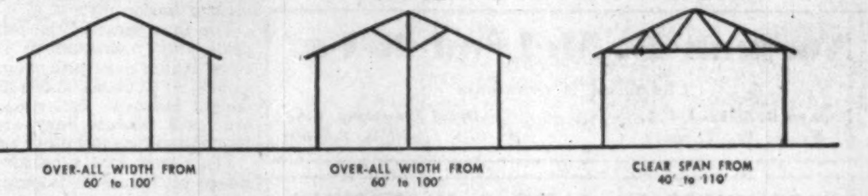

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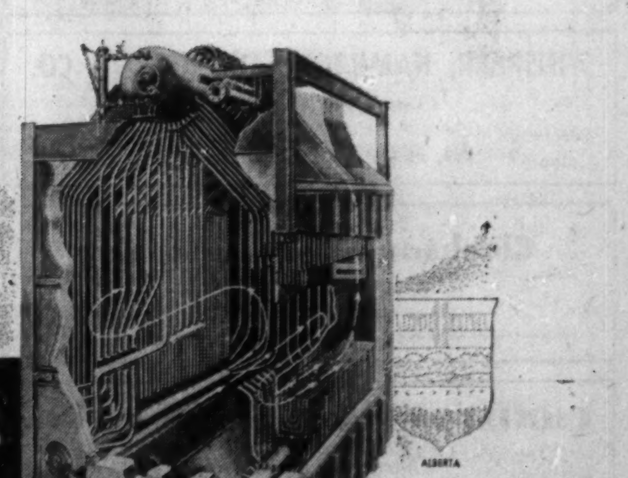

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Freight Rates Approach a New Era

'Equalization' Starts March 1—Here's What It Means

MONTREAL (Staff)—At 12.01 a.m., March 1, steel wheels on rail tracks will pound out the message of a new era in Canadian freight rates. It's the start of the Federal Government's wide-reaching program of equalization, to balance the rate levels between Eastern and Western Canada.

Traditionally, rates in the West have been higher than in the East. The new freight structure aims at uniformity.

The first phase of the program deals only with class or ceiling rates, which constitute about 15% to 20% of Canada's $1,000-million freight business. But class rates are vital because they are the foundation for most other rates.

For almost half a century, the Board of Transport Commissioners has studied ailments in levels of freight rates between the East and the West. It has diagnosed the trouble as rate disparity, inherited from the original structure.

On numerous occasions since 1914 changes have been made which materially lessened the difference. But the new ruling is the biggest and boldest venture yet.

Uniform Scale of Rates

It will provide a uniform scale of mileage class rates. This means, with few exceptions, that shippers in all parts of Canada will pay the same class rate for sending similar goods over equal distances. The goods will be subject to "rate groupings."

In broad terms, it means rates in Western Canada will drop by about 12% and in some cases by as much as 20%.

In Ontario-Quebec, Class 1 (renamed Class 100) rates will increase by about 5% to as much as 25% while in lower classes to 10, renamed Class 27, there will be less change. These lower classes are a percentage of Class 100 rates on a scale graded downward to 27%.

For longer hauls between the East and the West, rates generally will be lower.

In Maritime and Newfoundland provinces there will be no changes. Rates between the Maritimes and other parts of Canada are subject to somewhat the same changes as made in rates within the territory west of Diamond-Levis-Maritime boundary.

With the new class rates in effect, a transitional measure, aimed at roughly equalizing rates until the new program was implemented, was removed. This was a Transport Board order to cut rates in the West by 5% and raise them 10% in Ontario-Quebec.

What Has Been Done

In efforts to achieve equalization and in line with the 1951 Turgeon Commission report, this is what has been done:

—Abolition of the present standard or maximum mileage tariffs.

—Establishment of one uniform equalized class rate scale throughout Canada for the two railways, expressed in mileage distance or in specific rates between specified points on each railway; tolls in such tariff are expressed in blocks or groups by mileage and these include greater distance for the longer than for the shorter hauls, the level of this uniform equalized scale fixed by the Board.

—Elimination of so-called "terminal" class rates in Western Canada.

—Averaging of the different "taper" of Western and Eastern Canadian rates.

—A provision for tapering rates between Western and Eastern Canada so that they will in the future be fairly related to distance instead of being made as they have been as combinations on Fort William.

Class rate tariffs, under the Railway Act, were to specify class rates on a mileage basis for all distances covered by the railways. These distances were to be expressed in blocks or groups which would include relatively greater distanees for the longer than for the shorter hauls.

At Specified Points

In addition, they may specify class rates between specified points on the railway and when rates are established in groups the rates to and from individual points in the group may be higher or lower than they would be otherwise.

The Board interpreted this to mean that the intention of Parliament was to give the railways privilege of making group-to-group (block-to-block) rates. These would conform generally with the average of the uniform mileage scale although a little higher for some of the short-haul points. They would also prevail over the mileage rates.

The Board decided that it held the power to permit or determine the just grouping of stations and shipping and receiving points.

Here is how the revised scale has been computed:

Distance Miles	Mileage Block miles	Rate per 100 lbs.
Minimum 20	20	50c
		Rate per 100 lb. per 100 miles
Over 20 to 60	5	$1.00
" 60 to 100	10	.50
" 100 to 200	25	.40
" 200 to 1,500	25	.36
" 1,500 to 2,000	50	.36
" 2,000 to 2,600	50	.32
" 2,600 to 3,300	50	.28

The uniform scale begins with a 20-mile block at Class 100 of 50c per 100 lb. on traffic subject to Canadian freight classification. These rates increase by five cents per 100 lb. for each five-mile block from 20 to 60 miles, and for each 10-mile block beyond 60 to 100 miles.

Beyond 100 miles, the scale grades in 10c units for each 25-mile block up to and including 200; then grades in 9c units for each 25-mile block up to and including 1,500; 18c for each 50-mile block beyond 1,500 to 2,000.

The rate beyond 2,000 is 16c for each 50-mile block to 2,600 and 14c for each 50-mile block beyond to 3,300.

The new Class 100 rate for a distance of 100 miles is $1.10 per 100 lb. and compares with $1.20 in the Eastern Schedule A scale.

Ton-Mile Revenue

These units were considered the most suitable for construction of a weighted scale average. The rates so constructed produce revenue per ton mile which the Board considered tapered off at the proper rate of progression. This differed from the previous taper of East-West rates which actually increased in some cases.

The uniform scale is based upon the weighted average of the current rates, and the uniform freight rates were not applied over lines within the Maritimes. Consequently, the maximum distance was in the 3,250-mile block, the approximate distance between Stanhope, Que., and Prince Rupert, B.C., and is the longest distance outside the Maritimes.

The class rates are based on a progressive scale with the most valuable and bulkier items in Class 100; other groups fall in the lower classes which are expressed as percentages of Class 100 rates.

New Class Schedule

The following are the new class rates and illustrate the percentage taper from Class 100 to Class 27. (There are some 8,000 articles which fall into these classes, ranging from agricultural implements to cereal products and livestock.)

Class 100—commodities of bulk, high value, small tonnage and less-than-carload lots.

Class 85—slightly less in bulk or value than Class 100, move in greater tonnage and in less-than-carload lots.

Class 70—includes shipments of ordinary merchandise in compact packages and comparatively greater weight with smaller cubic measurement, moving in less-than-carload lots.

Class 55 — articles of light weight, bulkier in dimension, mixed between less-than-carload and carload lots.

Class 45—carload rating given to shipments in Class 70. More freight moves in this class than under any of the others individually.

Class 40 — generally carload merchandise traffic moving in flat cars.

Class 33 — railway equipment and supplies.

Class 30 — cereal products, potatoes and vegetables, in carload lots.

Class 9 in the old scale applies only to livestock in carloads. The railways made the suggestion and the Board ruled that rates of 40% of 100 should be the rate for horses, mules and ponies, 33% of 100 on cattle, calves, sheep and hogs.

Class 27—Products of mines, forest and quarries, moving in carloads. Exceptions to the new rates include:

—Joint international rates between points in Canada and the U. S.

—Rates on export and import traffic through Canadian ports, where such rates bear a fixed and longstanding relationship with rates on similar traffic through the U. S.

—Competitive rates.

—Agreed charges.

—Rates over the White Pass and Yukon route.

Rates in Newfoundland and the Maritimes are unchanged. Maritime rates are 20% lower for internal movement of freight as laid down by the Maritime Freight Act of 1927. However, adjustments have been made for traffic outside the Province.

Triangle Rate

The controversial "A & B" groupings were unchanged. This established a blanket rate for a triangle comprised of a territory within a line drawn between Montreal, Windsor, and Sault Ste. Marie.

Rates from this area move westward at the same rate regardless of originating point to help the railways better meet lake and river competition. Northern Ontario, however, will not stay part of this and under the new plan will be charged by actual mileage.

Toronto is the key point in this computation of all-rail class rates for Groups A & B.

The Board decided, however, on a new type of grouping for Eastern Canada that enable shipping points to have benefit of their geographical location in relation to distance and that will be more in conformity with the national freight policy and the principle of equalization.

The Board found the use of large groupings for class rates, being the highest in the entire rate structure, would tend to require an unreasonable difference in cents per 100 lb. between one group and the next. Groups are more suitable for commodity rate scales (which are generally much lower than the class rates) where a small difference in rate can be expressed in a large mileage group.

Grain Rates

The Board is also preparing an equalized scale for domestic grain mileage rates.

For years, there has been a hold-down on grain movements from the West to domestic markets. It has been tied to the statutory Crow's Nest Pass Rate on grain for export. Eastern rates on grain have been higher than those in the West as a result of this situation.

The Board felt it has jurisdiction to remove this hold-down and it has been removed.

Crow's Nest Pass rates owe their existence to action taken by Parliament more than half a century ago and intended to assist the grain-growing industry of the Prairies. This industry gave promise at that time of becoming (and has become) a major factor in the economy of Canada. For this reason, producers were given the benefit of favorable transportation costs for obtaining essential supplies and for shipment of their products.

Most Western grains move at special rates to assist movements to markets outside Canada, principally foreign markets. These special rates are exceptions to the rates which the Board has the power to fix.

Past Changes

The following are some of the changes which have materially lessened the difference between East-West rates:

—The Western Rates Case in 1914 reduced the rates in the Prairie Provinces to the level of the so-called Manitoba scale, and those in British Columbia lowered by the application of a new scale worked out on the level of 25% higher than that applicable on the Prairies. No change was made in Eastern rates.

—The Eastern Rates Case in 1916 increased rates in Eastern Canada by about 5% while there was no increase in Western rates.

—In 1920, a general increase was granted by Canadian railways boosting the scale by 40% in the East and 35% in the West. In 1921, these were reduced to 25% in the East and 20% in the West.

As a result of the General Freight Rates investigation, a judgment, two years after a probe was ordered, found that the difference in standard rates in East and West were justified under conditions that existed then and no changes should be made.

From Dec. 1, 1921, until April 8, 1948, the general level of freight rates remained stationary. They were then hiked by 21%. In the same year, a further application was made for an additional 20% general increase which was later granted and followed by subsequent general increases of 17%, 9% and 7%.

At the time of the 21% increase, an appeal was taken by seven of the provinces and this was still before the Governor-in-Council when the application was made for a further 20% increase. It made an order referring both cases back to the Board.

The Turgeon Commission

Meanwhile, the Board had been ordered to undertake a general freight rates investigation. The Turgeon Royal Commission on Transportation was appointed Dec. 29, 1948, which held hearings lasting 138 days in which more than 24,000 pages of evidence and argument were heard.

The Turgeon report contained definite recommendations on equalization of freight rates. Legislation on equalization was passed by Parliament in 1951.

The Board began hearings with a view to developing a procedure to bring into effect the requirements of this new legislations. It heard objections in most of the principal cities of Canada from Victoria, B.C., to Charlottetown, P.E.I.

To expedite the investigation, the Board in 1950 asked the railways to submit a plan for equalization which would be suitable for application across Canada.

This was filed with the Board in 1951 and is called "Study re Equalization of Freight Rates." It consists of more than 200 pages including a number of maps and 68 statements, a review of the history of class rates, and suggested a new mileage scale giving examples of current and proposed rates.

Detailed Analysis

The majority opinion expressed by freight rate experts at a conference in March, 1952, was that an equalized rate scale should be constructed upon a weighted basis, that is, actually weighting the scale for each class or each commodity by the actual traffic movements at the various distances over all Canadian railways subject to the Board's jurisdiction.

Before embarking on the construction of a new uniform rate scale, the Board instituted an analysis, prepared from original waybills, and based upon four selected days of 1949. This study analyzed the movement of 25,439 carloads of freight which had been moved all-rail between points in Canada and had reached destinations on those dates.

A corresponding waybill analysis was subsequently released in December, 1950, and covered 165,277 less-than-carload shipments for the same four selected days.

In addition, waybill analyses of carload traffic were taken for the years 1951, 1952 and 1953 and found useful in comparison with the 1949 analysis. The latter did not include less-than-carload shipments.

These analyses proved of great value in providing accurate statistics of a typical cross-section of Canadian freight traffic.

From these studies, it was possible to determine the revenue, weight, average haul, and average rate per 100 lb., either as a whole or by regions of the articles in the various classes of the classifications and under various commodity descriptions.

The studies also showed whether the traffic was carried at standard class rates, special class rates, competitive rates, commodity rates, statutory rates (for 1951) or agreed charges.

It has provided vital information in implementation of the new class rates, effective March 1.

The next big change, perhaps in two years, is expected in commodity rates. These apply to particular articles in particular circumstances, and are special tolls, lower than the class rates.

The Board has come a long way since April, 1948, when it was directed by a Cabinet order-in-council to revise the class rates. Since then it has also been working out plans for revising other rates.

How The Rates Are Changed

SHIPPERS: Here is a handy guide to making shipments under the new class rate rail schedule, effective March 1. It also is an illustration of the old and the new rates:

Between		Class Rate								
TORONTO AND	Class Rate Old	1	2	3	4	5	6	7	8	10
	Class Rate New	100	85	70	55	45	40	33	30	27
Montreal	Old	180	156	136	116	89	81	70	75	63
	New	204	173	143	112	92	82	67	61	55
Windsor	Old	147	130	116	95	75	66	61	61	53
	New	159	135	111	87	72	64	52	48	43
Sudbury	Old	165	144	125	102	81	75	66	66	61
	New	177	150	124	97	80	71	58	53	48
North Bay	Old	156	136	117	99	80	70	63	63	54
	New	159	135	111	87	72	64	52	48	43
Cochrane	Old	259	228	197	162	132	123	90	95	87
	New	249	212	174	137	112	100	82	75	67
BETWEEN MONTREAL AND Cochrane	Old	289	257	219	180	145	136	102	106	100
	New	294	250	206	162	132	118	97	88	79
BETWEEN WINNIPEG AND Regina	Old	236	198	156	118	106	88	65	69	54
	New	213	181	149	117	96	85	70	64	58
BETWEEN SASKATOON AND Edmonton	Old	226	186	153	114	101	85	62	65	52
	New	204	173	143	112	92	82	67	61	55
BETWEEN CALGARY AND Vancouver	Old	357	296	236	178	162	135	95	95	78
	New	312	265	218	172	140	125	103	94	84

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Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953 Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

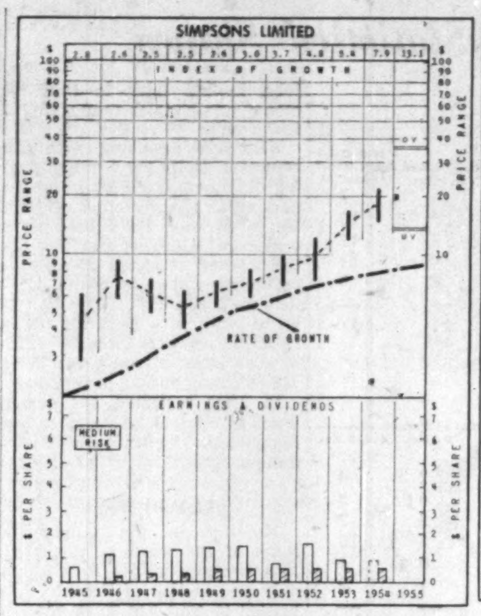
Simpsons

Simpsons common continuing to trade around \$20½ a share, 46% above UV level and a 71% rise short of OV level. Price about 22 times '53 earnings, provides yield of 2.44%. Price range in '54-'55, \$21¾-\$14⅝.

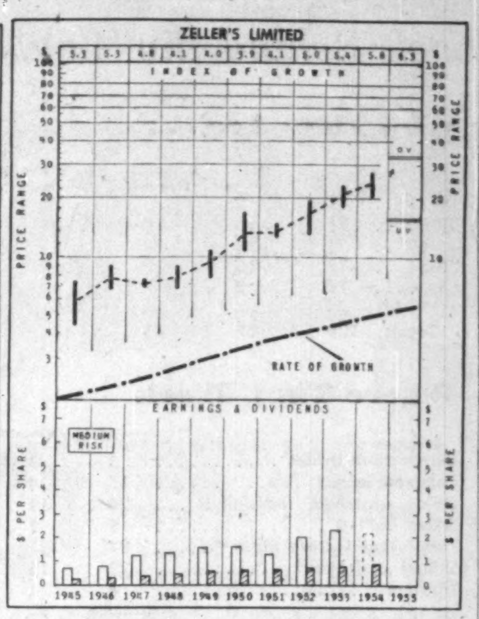
Results for '54 not available yet but expected shortly. After running behind during most of '54, increase in last quarter business probably left earnings just about same as in '53. Per share earnings that year were 94c.

Improvement looked for in '55. Department store business has been up somewhat and with expanded Montreal store in operation for full year (expansion which doubled size completed there only last fall), prospects are bigger volume should continue. Subway has helped Toronto store's sales considerably, thanks to easy access now to downtown shopping.

Simpsons-Sears mail order and branch store business should also produce more revenue this year. Seven new stores opened in '54, three more building, with objective of 15 stores by end of '57. Pickup in western mail order business lately after drop last summer and fall.



WHY SELECTED: Second among Canada's department stores and mail-order enterprises, Simpsons' sales and earnings have shown steady improvement, except for occasional periods when higher taxes or credit restrictions have led to temporary interruption. Tie-up with Sears Roebuck and adoption of its highly successful methods to extend mail-order business and chain department stores, suggest further wide expansion. Earnings on former class B shares were established in 1942 and from then to 1947 increased 645%; 1947-50, up 31%. Earnings off in 1951 due to higher taxes, credit restrictions and excise taxes.



WHY SELECTED: By expansion, enlargement, remodeling and acquisition, Zeller's has become one of the leading Canadian specialty and variety store chain merchandisers. Sales and earnings have shown steady expansion. Purchase in 1952 of Federal Stores adds to sales and earnings potentialities, as does the affiliation with W. T. Grant Co., operators of a large variety store chain in United States. Per share earnings increased 305% between 1937 and 1947 and 34% between 1947 and 1950. Earnings were off in 1951 due to higher taxes and other factors generally affecting consumer purchases.

How To Read the Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale, nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests, at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years, and in most instances the trend of dividend payments.

Background and principles behind the selection by Nestor were discussed in a special article in The Financial Post, Jan. 10, 1953. A limited number of reprints are available on request.

Zeller's Ltd.

At recent \$27½, Zeller's Ltd. trading 72% above UV level. Gain of 16% possible to OV level. Yield 3.63%.

Sales up slightly in 1954 but expenses were higher generally, principally salaries. Net earnings probably down about 10%.

Company expects a further moderate increase in sales this year. Expenses will likely be about last year's level.

Current sales are described as "fairly good" with prospects of continuing at about the same rate. Market conditions are good and company said it is holding its own with competition.

It has several expansion projects under consideration.

Through its recent partnership with W. T. Grant Co., which holds effective control Zeller's believes the basis for long term future growth has been greatly strengthened.

There are now 39 Zeller stores and 15 Federal stores. Two new ones opened in Toronto last year, also enlargements in St. Catharines and modernization and enlargement at Peterborough.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Financial

THIRD CANADIAN GENERAL INVESTMENT TRUST CO. net profit for 1954 was \$289,050, 1% higher than net for 1953 of \$286,120.

Profit on securities sold amounted to \$567,336 which was added to the capital surplus distributable. Portfolio of investments had an apparent liquidation value of \$8 millions or \$8.69 per share. In 1953 per share figure was \$6.75.

INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Total income	\$313,170	\$307,993
Less: Manage. fee	15,000	15,000
Oth fees & misc.	8,220	6,823
Inc. tax res.	900	50
Net profit	289,050	286,120
Less: Dividends	238,835	238,835
Surplus for year	50,218	47,285
Earnings per Share and Dividend Record:		
Earned	\$0.31	\$0.31
Paid*	0.26	0.23

*Divd. in respect of earnings for the preceding yr., appropriated and paid during the current year.

Net asset val. per sh.	\$8.69	\$6.75
Capital gain†	567,336	80,721

†Net profit on securities sold, added to capital surplus.

BALANCE SHEET

As at Dec. 31:	1954	1953
Cash in bank	\$84,957	\$76,112
Securities sold	37,809	7,269
Marketable secs.*	5,958,415	5,358,425
Accr. int. & divds.	58,814	52,939
Total assets	6,139,995	5,494,765
Misc. liabilities	22,320	704
Invest. res. (mines)	31,775	38,333
Inc. tax res.	900	188
Capital stock	4,592,975	4,592,975
Capital surplus	854,003	284,946
Earned surplus	628,022	577,622
*Market value	7,838,530	6,061,061

INDUSTRIAL MORTGAGE & TRUST CO., Sarnia, Ont., net profit for 1954 was \$64,262, 8% less than net for 1953 of \$69,875.

	1954 \$	1953 \$
Liabs. to public etc.*	9,619,952	8,597,718
Shareholders equity	1,210,507	1,193,870
*Secured by:		
Mtges. & sls. agree.	5,169,030	4,928,350
Realty for sale less res	1	1
Office premises	79,402	77,788
Liquid assets♦	5,582,026	4,785,449
Total	10,830,459	9,791,388
♦Includes bonds and stocks.		
Estates account	1,431,846	1,748,950
Net profit	64,262	69,875
Earned per Share	\$5.06	\$5.50
Paid	3.00+0.75	3.00+0.50

MONTREAL TRUST CO. net profit for 1954 was \$704,248, 29.4% higher than net for 1953 of \$544,343.

Total assets at the year end amounted to \$78.5 millions, an increase of \$36.5 millions in 1954. Of this \$1 million is attributable to capital account and reflects the inclusion of the investment portfolio and other assets of the Northern Trusts Co., taken over in March.

Guaranteed trust deposits increased \$35.5 millions and amounted to \$68.4 millions on Dec. 31. Assets in this department included \$10.9 millions in cash and call loans, and Government of Canada obligations with a market value of \$43.9 millions. These liquid assets represent 80% of the liability to depositors.

Experience has revealed, says President O. B. Thornton, that pension fund did not provide adequate benefits. A revised plan was adopted on Dec. 31, and necessitated a special contribution of \$446,000 which was charged to profit and loss account.

For the first time, no indication is given of value of assets held for estates, trusts and agencies under company's administration. The omission, says the president, is deliberate. "These assets," he says, "belong exclusively to our clients, being held by us in a fiduciary capacity, and we have decided that references to their value or amount in our financial statements tend to create an erroneous impression as to their real nature, and to confuse them with company funds."

	1954 \$	1953 \$
Liabs. to public etc.‡	69,186,349	33,275,079
Shareholders equity	9,283,835	8,727,050
‡Secured by:		
Mortgages	5,877,535	1,832,093
Office premises	597,769	220,984
Liquid assets♦	71,994,830	39,949,052
Total	78,470,184	42,002,129
♦Includes bonds and stocks.		
Net profit	†704,248	544,343
Earned per Share	\$1.76	\$1.36
Paid	0.80+0.20	0.80+0.20

†Before deducting \$446,232 transferred to pension fund.

Public Utilities

NEW BRUNSWICK TELEPHONE CO., Fredericton, N.B., net profit for 1954 was \$1,169,776, 5.4% higher than net for 1953 of \$1,110,015.

Total number of telephones in service at the year-end amounted to 92,487, 4,637 more than last year. During the year the company completed a work program of \$4,457,419, of which \$3,820,948 was for new construction.

Improvement in long distance usage which developed late in 1954 is continuing, says President G. M. McKiel. Three major undertakings face the company. They are:

—Construction of a microwave radio relay system from Saint John to Edmundston.

—Provision of facilities at Camp Gagetown.

—Provision of facilities required in co-ordinating with the continental toll dialing plan.

Company's part of the initial cost of the first will be about \$2.5 millions, says the president. The second project will involve expenditure of over \$1 million. With regard to the third, the president says that operator dialing will come into use between certain offices in 1955, and the number will gradually increase.

"It is obvious," states Mr. McKiel, "that high capital spending will place a temporary financial strain on the company's resources until such time as the usage of facilities thus provided builds up to the point where the resultant earnings fully support the investment."

Six new exchanges were opened during the year, and \$3,239,392 was added to investment in plant.

INCOME ACCOUNT

Years ended Dec. 31:	1954	1953
Gross revenue	\$8,908,152	\$7,568,533
Net earnings	3,989,863	3,717,513
Less: Deprec.	1,338,534	1,205,431
Deb int.	413,170	345,893
Other int.	13,105	35,457
Inc. tax	1,055,078	1,020,714
Net profit	1,169,776	1,110,015
Less: Dividends	951,994	888,655
Surplus for year	217,782	221,360
Earnings per Share* and Dividend Record:		
Common	\$0.73	\$0.70
Paid	0.60	0.60

*Based on shares fully paid and issued.

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Cash	\$2,931,574	\$164,840
Accts. rec.	1,138,734	1,276,027
Inventories	843,396	752,422
Total curr. assets	4,913,704	2,193,289
Misc. assets	165,115	152,320
Investments	5,000	5,000
Fixed assets	35,484,722	32,245,330
Total assets	40,568,541	34,595,939
Accts., tax., etc., p.	1,252,047	1,233,724
Divds. pay.	239,026	236,824
Total curr. liab.	1,491,073	1,470,548
Def. income tax*	193,141	......
Def. credits etc.	114,621	172,375
Deprec. res.	7,050,850	6,160,965
Funded debt	11,000,000	9,700,000
Prem. on cap. stk.	106,363	98,837
Capital stock	19,132,080	15,796,260
Capital surplus	91,012	91,012
Surplus	1,419,401	1,105,941
Working capital	3,422,631	722,741

*Arising from depreciation claimed for tax purposes being in excess of that charged to operating expenses.

Gas

SUPERIOR PROPANE LTD. net profit for the year ended Nov. 30, 1954, was \$200,050.

Company was formed in 1951 to purchase the retail Essotane Gas Division of Imperial Oil. Number of installations was about 9,300 consuming 1.75 million gallons. At the end of the present fiscal year company had 18,800 installations using propane at an annual rate of over five million gallons.

Growth has been achieved by a three-point marketing program consisting of company's own retail sales force, small highly skilled industrial sales force, and appointment of agents who distribute gas, sell appliances and service customers.

Company delivers gas in bulk as well as in the traditional 100-gallon containers, thus opening up a means of reaching a substantial number of new potential users, say Chairman Marchall Rawle and President J. F. F. McQueen.

Marketing program is supported by steadily expanding physical plant. Bulk storage plant is in process of installation at Barrie, and bulk filling facilities have been established at Guelph, Peterborough, and pending negotiations, at Kingston.

In the last few years, company has been highly successful in selling propane to tobacco growers, has introduced propane for house heating, and has developed a variety of highly specialized uses.

INCOME ACCOUNT

For the year ended Nov. 30:	1954
Gross revenue	\$2,855,515
Net earnings	497,976
Add: Income from invest.	2,277
Less: Depreciation	141,177
Int. on funded debt	64,467
Debt. disc. & fin. exps. w/o	4,559
Income taxes	90,000
Net profit	200,050
Less: Pref. divds.	39,600
Surplus for year	160,450

Note—Income taxes otherwise payable in respect of the year have been reduced by claiming for tax purposes depreciation in excess of that recorded in the accounts.

Times Debenture Interest Earned:	
Before deprec.	7.76
After deprec.	5.57
Earnings per Share and Dividend Record:	
Preferred	\$5.00
Paid	0.99
Common	0.49
None paid.	

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ANNOUNCEMENT

CANADIAN BANK OF COMMERCE APPOINTMENT

PHILIP E. LARSON

The Canadian Bank of Commerce announces the appointment of Mr. P. E. Larson as Administrative Officer. Mr. Larson, a graduate of the University of Denver, served in the U. S. Air Force during the last war and prior to his recent appointment was engaged in administrative duties at the Head Office of the Bank. He succeeds Mr. C. S. Smith, recently appointed a Superintendent, Head Office.

Here's Portrait of the Unemployed

What A Look Behind the 'Cold Statistics' Shows

The unemployed Canadian can be a cold statistic, a component of charts, graphs and tables which detail our unemployment picture.

Or he can be the subject of an emotion-wracking sob-story. But somewhere in between is the real portrait of the unemployed.

To get this picture of jobless Canadians, The Post went to a Toronto National Employment Service office and looked at cards bearing details of 100 people seeking work. The names are confidential, but the important details are not.

Some of these details are contained in the accompanying tables. Others can't be tabulated, don't lend themselves to generalities.

No table, for example, can tell the story of Luigi, the Italian Army veteran. He's a middle-aged construction laborer who last worked nine months ago for around $210 monthly.

This man who served in the last war against the Allies, is married, has five children. He wants a job. But winter is a poor time for construction laborers. He has only a few years' education.

Who They Are . . .

Age Group	No. in Age Group	No. Married	No. Having Dependents	No. Not Canadians	No. of Union Members	With Only Public School Education
16-21	11	2	..	2	..	7
22-30	28	16	8	8	7	13
31-49	31	28	18	6	7	17
50-64	18	13	12	..	4	11
65-	12	8	7	1	3	9
Totals	100	67	45	17	21	57

Where They Work

Occupation	Total	Number Out of Work 0-3 Mos.	3-6 Mos.	Over 6 Mos.
Construction trades	5	5	..	..
Common labor	10	4	2	4
Office, unskilled, semiskilled	20	11	4	5
Office, skilled	5	1	2	2
Semiskilled factory labor*	34	21	3	10
Skilled craftsmen*	22	15	6	1
Truckers	4	1	1	2
Total	100	58	18	24

*Other than construction.

Luigi may be the kind of person you could write a heartbreaking story about. Or he may be one of the unemployed who aren't badly off and who aren't asking for help—even in the form of unemployment insurance.

The reason for this independence: They have a bank account sufficient to see them over a few weeks or even months of idleness. They don't want to draw upon their reserves of insurance eligibility.

Easier For Trained Men

But neither the Luigis nor the persons who spurn unemployment insurance are typical. There are only a few of either.

The average unemployed person, as he appears in The Post's survey, is a man (there were 64 men, 36 women in the group).

He's in his mid-thirties. He's married, probably with one child. He's most likely to be a semi-skilled office or factory worker who has no specialty for which there is a good demand.

He's a Canadian, although many are not, and he isn't a member of a union, although many are. He's been out of work one to three months.

His education: Public school, maybe a year or two of high school. None of the 100 has a college education.

He's not expecting to go back to work for the person who last employed him. Some will, of course. These include some construction workers, a few people on layoffs. For instance, some of the workers recently laid off by Avro Aircraft probably will turn up again in the big Malton, Ont., plant when there's room for them.

The Toronto group covers a wide range of occupations—fur finishers, printers, dressmakers, messengers, ice pullers, wire winders, electricians, tailors, jewelry assemblers, granite cutters, dozens of others.

There's no preponderance of one group, although unemployment in construction trades and among common laborers can probably be attributed to the usual winter slump in construction employment.

There's one distinct pattern: The better-trained, better-paid people aren't having too much trouble finding work. And when they are out of work, they find a job much more rapidly than semi-skilled or unskilled people.

The tables show only five skilled office people looking for jobs, 22 skilled craftsmen. In the latter group 70% have been seeking work for fewer than three months, compared with the over-all percentage of 58.

Toronto Picture

In many districts the picture of unemployment is much different than that in Toronto. Depending upon areas in which they are located, other NES offices may show large numbers of miners, steelworkers or construction workers looking for jobs.

The Post's Toronto survey gives an indication of the unemployment cross-section in a district with these characteristics:

—A huge metropolitan area with an infinite variety of industry.

—An area where there is a larger-than-average proportion of immigrants—and immigrants have more difficulty than others in finding work.

—A wide range of income and racial groups.

The Toronto office where the survey was made handles around 3% of all Canada's currently unfilled job applications. Probably about 3.5% of all Canadians drawing unemployment insurance go through its efficient, production-line payoff procedure.

Are they hard to handle?

"They're a pretty good bunch," says an official who sees them every day.

It's estimated that around 95% of those who come looking for work find "suitable" employment. Most find work at rates equal or close to the salary they last drew. And most get back to work in three months or less.

It isn't the great majority which provides the placement worries for the office. It's the small minority of hard-to-place or hard-to-deal-with people.

Some, of course, are old, not suitable for work they once did. Many of them are on pensions, wanting a small income to raise their living standard from subsistence to comfortable. Or they may not need money at all. Instead, they're tired of doing nothing.

This is one reason the old employee may be a better bet than most employers realize. He's often happy just to be working.

There are others who have drawn good salaries and held responsible jobs, but for whom there is no current demand.

Most of these, if they have to, will accept lesser salaries and jobs, hoping later to find the money and position they want. A few won't.

NES will go along with this reluctant group for a while, paying out unemployment insurance as long as the person is eligible. But after, say, three months, it will lower its sights a bit and ask the worker to accept possibly 5c an hour less than he wants.

It may also ask the person to go to work in a field for which he hasn't registered but for which he's at least partially equipped. This too may mean a lower salary.

If, after a period, the person won't co-operate, he stands to lose his unemployment insurance payments.

Mobility Helps

Mobility in the economists' sense of the word is important. If a waitress wishes to work in only one section of Toronto it is harder to find her work than if she is willing to go anywhere in the metropolitan area.

Again, there is no immediate compulsion to accept work in an undesired location.

All applicants for work specify where they are willing to go for a suitable job. Of The Post's 100, nine are willing to go "anywhere" —presumably anywhere in Canada. The others are about evenly divided in listing Toronto (any part) or asking for work in one particular section of the city.

Generally, the more mobile (willing to go anywhere for a job) an applicant is, the more likely he is to find work within a short time.

Among the 100 are 21 union members. Since common laborers and office help aren't often members of unions, most of these are skilled people, either in the construction or some other field.

It's exceptions like Luigi which make the human interest in unemployment. Here are other examples:

—The 73-year-old salesperson with one dependent, out of work for almost a year, who last worked for more than $400 monthly.

—The 51-year-old glassblower who will go anywhere for a job. He's been out of work since December.

—The 26-year-old RAF veteran who came to Canada last June and is still looking for work.

—The former store manager who wants a job as a $135 shipper.

—The pregnant young wife who would like a few months' work.

These are some of the people who line up once a week for unemployment insurance, who anxiously await word of a new job, and who—if past records and current trends are reliable—will soon get jobs.

Staff Changes

Royal:

C. J. D'ABADIE, Georgetown, B.G., to be manager, Broad St., Georgetown, B.G.

O. J. BILDFELL, accountant, Shaunavon, Sask., to be manager, Wawota, Sask.

J. K. HILTZ, assistant manager, Halifax, N.S., to be manager, Wolfville, N.S.

R. C. BILLINGSLEY, assistant general manager's dept., Toronto, to be manager, Market Branch, Hamilton, Ont.

R. A. LECOURS, assistant general manager's dept., Toronto, to be manager, Ouellette & Ellis, Windsor, Ont.

L. D. MacKAY, assistant manager, Winnipeg, to be manager, Charlottetown, P.E.I.

R. H SLOAN, accountant, Beaver Hall, Montreal, to be assistant manager, Stanley St., Montreal.

W. S. SNOOK, Stanley St., Montreal, to be assistant manager, Halifax.

W. K. MOYLE, assistant manager, Havana, Cuba, to be assistant manager, San Juan, P.R.

G. H. BRADSHAW, Portage & Good, Winnipeg, to be accountant, The Pas, Man.

L. G. WILLIAMS, appointed accountant, Shopping Centre, Dorval, Que.

R. P. ARDEN, accountant, Somerset & Booth, Ottawa, to be accountant, Point St. Charles, Montreal.

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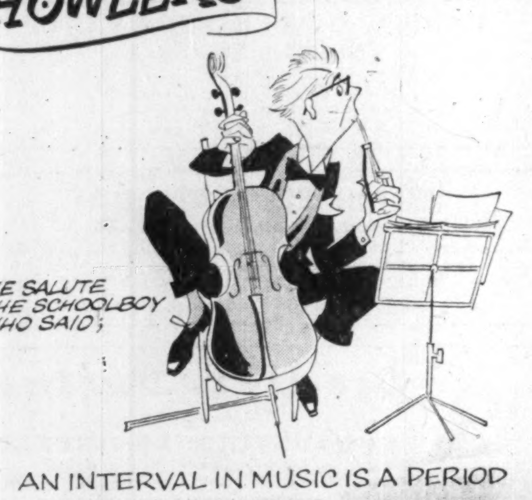

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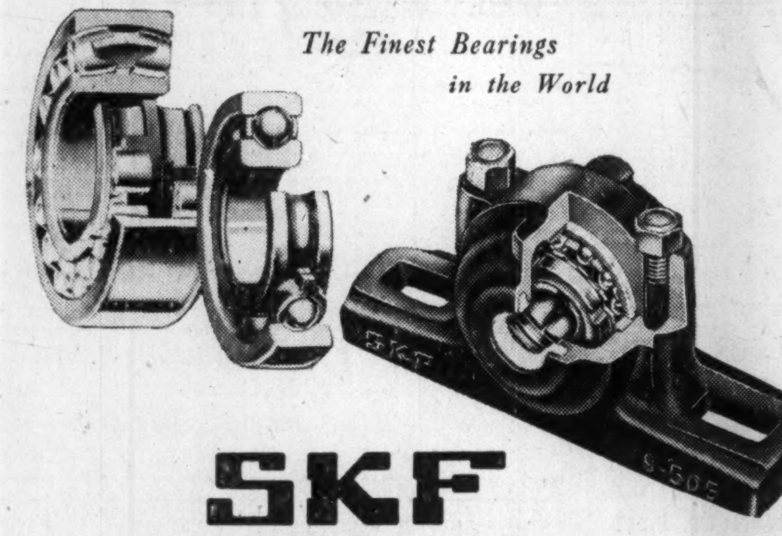

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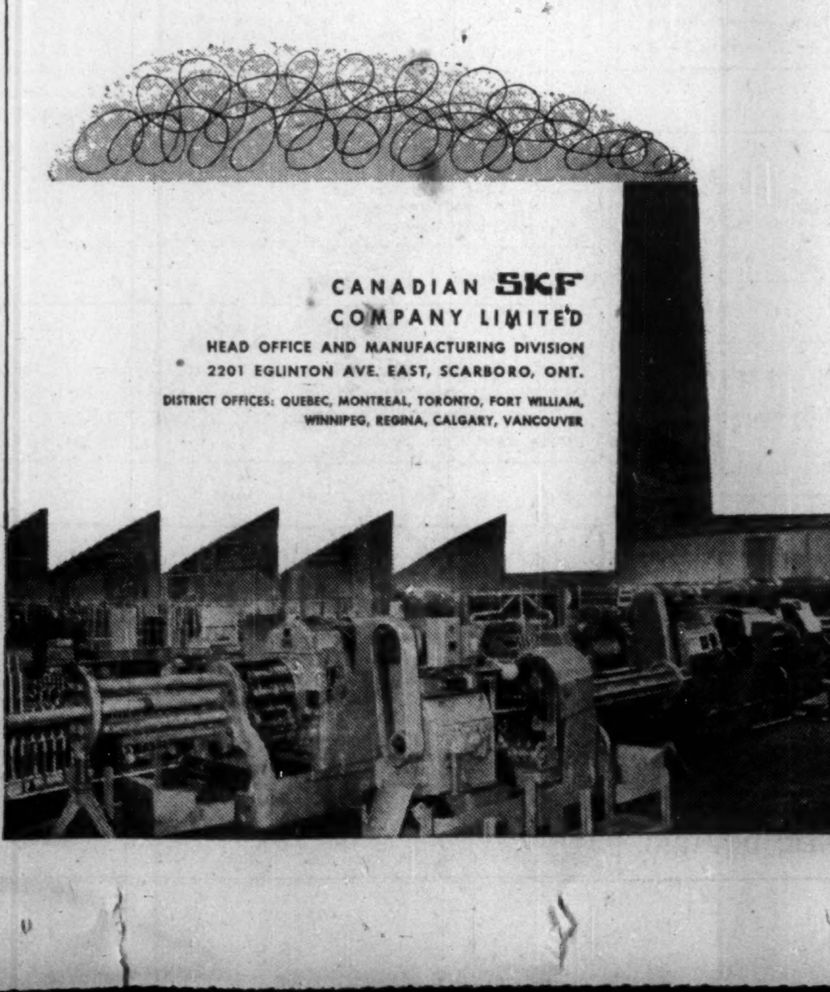

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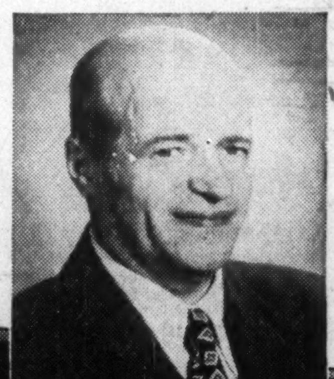

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How Banish 'Bid-Peddling' Blues?

Architects Look At Bulk Vs. Bit Tendering

One of the most controversial questions ever in the construction industry has been raised by two important subtrade associations which asked architects to call mechanical and electrical tenders separately from the general contract. The most common method is for the general contractor to call for these tenders. Here is part of a panel discussion which touched on the matter, at the recent Ontario Architects Association annual meeting.

Participants in this portion were Arthur Gardiner, of Gardiner-Wighton Ltd., general contractors on small and medium size work; Robert Drummond, president and general manager of A. W. Robertson Ltd., general contractors on large buildings; J. A. Murray, of the School of Architecture, Toronto; Eric W. Haldenby, of Mathers & Haldenby, architects on many large buildings; Douglas L. Emond, business administrator of Etobicoke Board of Education, an experienced client; John Heggie, layman client. Chairman was Hugh P. Sheppard, Windsor architect.

Architects, general contractors and subcontractors are currently holding meetings on the problem.

CHAIRMAN: Is the bulk tender contract satisfactory or is there merit in the separate tender request of the mechanical and electrical trade?

MR. GARDINER: I think it almost has to be considered in two phases. In the larger phase, where you are dealing with contractors of excellent repute and with mechanical trades of equal calibre, I don't think the mechanical and electrical submissions should be made on a separate basis. Because on that field or venture I don't think there is taking place in the trade this business of comparing prices. That is what the mechanicals are complaining about — that the general contractor receives numerous bids and then phones friends and informs them what someone else will do it for and the friend says he will do it for $100 less and as soon as he receives that he phones back the opposition and tells him what he has got. It is a merry circle.

For the last six months, if the bid has been closing at five o'clock, from three o'clock on you have about 60 different bids from about 10 people. It is impossible to compete. So that in the larger categories I don't think it will matter. In the smaller category of tender I think it is a serious and crucial thing that has to be thought of with extreme care.

It is not our principle to compare prices, but we have various competition in our end of the field of people that are possibly not going to have any scruples or people just going in the business and find it necessary that they must have a job and they will go to any means to obtain it. As a result it is cutting into the trade both from the point of view of the contractor, who cannot make a profit because the reduced price reduces his fee, it is affecting the mechanical engineers because on what work they anticipate is costing so many dollars, on which they get a fee, they are finding their fees are inadequate to cope with expenses on smaller jobs.

The same condition reflects back to the architect. He is obtaining a fee on the complete building.

So the cost structure as a result of this practice is being reduced to such a degree it must be affecting your pocket books as well as anybody else's.

I am most loath to say this because I am not in favor of having bids submitted direct to the architect.

The other problem that I see arising out of it is the matter of whether the subcontractor, who makes the submission to the architect, if the low bidder is acceptable to the client or to the architect and then is recommended to the contractor and the contractor in turn finds on checking on it he is not of a calibre he would wish to employ, then you have a difficult situation, because the matter of responsibility in the event of failure on the part of this particular subcontractor is reflected on all three people. The responsibility would rest with the people that made the decision, I think, and compel the contractor to accept it and at that time it might be too late, the contractor might be driven into bankruptcy.

MR. HEGGIE: While I read The Financial Post and they are concerned with the bid peddling in the construction and architectural fields, I don't think it a concern of the client.

MR. MURRAY: I cannot see any particular advantage, talking of house work, of having mechanical trades called separately for the job.

MR. DRUMMOND: The mechanical and electrical trades represent possibly in the larger type of construction the most expensive subtrades but not necessarily the most complicated, and if the architectural profession will embark on the system of calling for separate mechanical and electrical trades and award them separately, where is it going to cease?

There are national associations of many other trades, national plasterers and painters and marble and tile contractors association. If you are going to accept the request from these mechanical associations I don't know how you can refuse to accept the others. I suppose it ultimately means either the general contractor is of some use or is not. If this persists you become automatically the general contractor and you hire our organization from us.

The only other alternative is the package deal as far as the larger contractor is concerned.

I would like to point out that the remark that general contractors phone their friends and give the information is not quite actually the fact. I may say in all sincerity that the subcontractors extract the information. They use a straw in their drinking. It is a sucking proposition. They employ every means to try and find out where they stand competitively and it is not a voluntary giving out of information at all. It is extraction by these mechanical subcontractors.

If the architect is going to choose our team for us then we will just have to cease being the captain of the team. You relieve us of the responsibility. It is a co-ordinating service. He only does about 25% of the total project with his own forces, the other 75% is done by subcontractors. He gives co-ordination and the supervision of his organization and I think it is an ideal way to work. It has proven itself over the years. There seems to be a bit of controversy going on now because there is a little bit of extra competition now that there was not in the last 10 years and new contractors springing up, we are going through a cycle, sort of an adjustment.

To answer the question is the bulk tender contract satisfactory, I would say "Yes." Is there merit in the separate tender request of the mechanical trade — "No."

MR. EMOND: Since we are apt to be building schools for some time we have an interest in ensuring that the good contractors are kept in business and the poor ones are forced out in some way. Whatever that takes to do it, I don't know. It seems to me the thing can be handled on this bulk tender contract basis. If it is going wild perhaps there is a solution whereby the general contractor submits his tender and the architect presents it to the Board and opens the tenders from these major subtrades at the same time, so there is not any possibility of these contractors which have been mentioned.

There is another matter. In one or two cases we have seen a tendency for the general contractor, having got the job, to do a little shopping around and trade subs off.

I think the client should insist he will have no part of that.

MR. HALDENBY: The mechanical and electrical trades think they are being discriminated against, a great majority of them do. I agree with Mr. Drummond that the general contract and the general contractor are two institutions that should be maintained at all costs. If any of us are old enough to look back on the days of separate trades when it took twice as long to build a building as now and the amount of work the architect did was incredible and the fee was not any greater, we all realize the separate trades are an extinct arrangement. We never want to see it come back.

It is not up to the owner to say what subcontractors he has as long as he gets good ones. There is just this one problem.

Mechanical engineers are dealing with work that is complicated and especially with the arrival in the field of building of air conditioning it becomes so difficult to make sure that your mechanical subtrade is carried on by a man who can do it. One client, who is well known to a lot of us, says you state whom you are having and the amount and if he doesn't like it he will pay the difference to get the man he wants. That is a fair arrangement.

Every client is not as simple. Some client may say, I want a firm price and the only solution then is to try and make sure that the general contractor has not won his contract by carrying a lot of poor subtrades, especially mechanical.

MR. GARDINER: I wondered if this matter is not a subcontractor thing and they should wash their own laundry, rather than put it on the general market to be washed in public. Would it not be more advisable if they instructed their own members to submit to them and the association, whether they may be general mechanical trades, as an association notify the general contractor what bids should be carried, rather than have it tossed around in the present manner?

BOOKS FOR BUSINESSMEN

MONEY, TRADE & INVESTMENT, by G. D. H. Cole; British Book Service (Canada) Ltd., Toronto; 414 pp.; $5.

This is the fourth revision of a work originally published in 1944 under the title, Money, Its Present and Future. In this latest—and longest—edition, Professor Cole reveals a growing preoccupation with the ever-present threat to Western Europe and the sterling area of a serious U. S. recession or even the sudden withdrawal of U. S. aid.

The author remains a strong proponent of price stabilization, while admitting the difficulties of implementing this policy. Unlike some other economists, he has not abandoned the quantity theory of money—it is still true, he reminds his readers, that an easy money supply can lead to perilous inflation, and tight money to equally dangerous deflation.

In one interesting chapter, Professor Cole makes a critical comparison of the currency plans presented in 1944 for the U. K. by Lord Keynes, and for the U. S. by Harry Dexter White.

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THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING FEBRUARY 18, 1955

Range 1954-55 High	Low	Div. R'te $	Y'ld Feb18 %	Company	Sales	Last Feb. 11	Week end. Feb. 18, 1955 H	L	Close
29½	16½	‡.60	...	Abitibi	18887	28½	23½	23	28½
26½	25	1.12½	4.2	Do. 4½% pref.	900	26	26½	25½	26½
9½	6	.50	5.3	Acadia Atlan.	1160	9½	9½	9½	9½
106½	100	5.00	4.7	Do. 5% pfd.	25	106	106	106	106
23½	17	1.20	5.2	Do. (A)	710	23	23½	23	23
8½	7	.40	5.3	Agnew Surp.	100	7½	7½	7½	7½
10	9	.55	5.8	Do. pref.	15	10	10	9½	9½
2.25	1.25	.	...	Albt. Dist.	15650	1.75	1.95	1.75	1.95
2.20	1.35	.	...	Do. V.T.	10400	1.50	1.75	1.60	1.75
53½	39½	.	...	Algoma Steel	7071	50½	53	50	52½
26½	23	1.00	3.8	Alum of Can p.	2447	26½	26½	26	26½

Range 1954-55 High	Low	Div. R'te $	Y'ld Feb18 %	Company	Sales	Last Feb. 11	Week end. Feb. 18, 1955 H	L	Close
10½	9½	.50	4.8	Horner, F. W. A	40	10½	10½	10½	10½
34	19½	1.00+‡.20		H. Smith Paper	3412	31½	34	31½	33½
52½	44½	2.00	4.1	Do. pref.	145	52	52½	49	49
13½	10	1.50	11.1	Hubbard Felt A p	100	11½	13½	13½	13½
175	123½	7%	...	Huron & E. Mt.	8	170	170	168	168
7½	4	*.30	...	Hydro Electric	200	6½	7½	7½	7½
50½	36½	1.20+*.30		Imperial Bk.	595	47	47½	46½	47½
15½	13½	.	...	Do. Warr.	8100	15	15½	14½	15
80	43	1.50	2.0	Imperial Life	810	70	74	72½	74
40	28	.90	2.3	Imperial Oil	11143	38½	38½	37½	38½
11½	9½	.40+‡.10		Imperial Tob.	18915	11½	11½	11	11½
25½	23½	‡.33	...	Do. 4% pref.	63	25.60	25.60	25½	25½

Range 1954-55 High	Low	Div. Rate $	Company	Sales	Last Feb. 11	Week Ending February 18 High	Low	Close
.16	.11	..	Atlas Yk.	1,000	.12	.14	.14	.14
.11	.05½	..	Atlin-Ruff.	66,200	.07½	.10½	.07½	.09½
.13	.08½	..	Aubelle	8,100	.08½	.09½	.08½	.08½
.39	.15	..	Aumacho	11,357	.19	.20	.17½	.18
.20	.08½	..	Aumaque	22,500	.14½	.13½	.12½	.13
2.45	1.96	.16	Aunor	2,900	2.15	2.15	2.14	2.14
.22	.08½	...	Avillabona	18,200	.12	.14½	.11½	.12
.24	.12	...	Bagamac	17,825	.14	.14	.13	.13
.09½	.05	...	Bankfield	4,050	.07	.07½	.07	.07½
2.10	1.00	..	Barnat	53,850	1.31	1.32	1.22	1.25
.17	.04	...	Barvallee	2,000	.06½	.08	.08	.08
1.80	1.26	..	Barvue	9,975	1.40	1.43	1.35	1.40

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	Feb. 18 Bid	Ask
Admiral Corp.	▲1.00	20	28½	23½
Amer. Cyanamid.	▲2.00	48	51½	51½
Ang. Can. Oil B	..	12½	12	..
Ashdown Hdw. A	.60	12½	12½	..
Assoc T. & T. A	▲4.00+‡2.00	97½	..	..
Auto Electric A	.50	9½	9½	..
Auto Fabric B	•	1.00	..	1.00
Barcalona	..	8½	..	..
Bates & Innes A	1.00	10	10	13
Beaver Lum.	‡2.00+*.50	86	83	86
Do A	1.00	22	21½	..
Do. pf.	1.40	30½	30½	..
Belding Cort.	.55+‡.10	9½	8	..
Bickle-Seag.	..	.10	.30	.75
Biltmore Hats	.40	6	6½	..
Do. A	1.00	14	14½	..
Bird Constr.	‡2.40	38	38	..
Blue Ribbon	..	10	..	12
Bowes Co. Ltd.	..	12½	12	..
Brant. Cord. A	1.00	17½	17½	17½
Do. B	♦.12½	8	7½	10
Brazilian Tr. pf.	6.00	98	98½	100
Bright, T. G.	..	11	12½	..
Do. 5% pf.	1.15	20	20½	22½
B. C. Turf.	..	.75	..	.85
Bruck Mills A	•	15½	14½	15
Burnett Ltd.	..	3.75	..	2.35
Caldwell Linen	.80	13	13	..
Do 1st pf.	1.50	20	20	23½
Do. 2nd pf.	.80	12	12½	13
Canada Floor B	‡.20	15	15	..
Can. Forg. B	..	1.00	.55	.90
Can. West Cord A	..	10	10½	..
Can. Wire Cable A	4.00	150	131	160
Canadian Arena	1.00	75	70	..
Cdn. Bakeries	•	8½	8½	9
Cdn. Bronze pf.	5.00	105½	105½	..
Cdn. Convert. A	..	3.10	3.00	4.00
Do. B	..	4.00	4.00	4.50
Cdn. General Electric	‡2.00+2.00	700	800	1000
Cdn. G. Sec A	*6.00	141½	175½	..
Do. B	‡10.00	112	175½	..
Cdn. Int. I. Tr.	‡.30	14½	14	..
Do. pf.	5.00	95	96	..
Cdn. Oil 8% pf.	8.00	170	170	180
Do. 4% pf.	4.00	93	96	..
Cdn. Tire pfd.	1.00	21	20	..
Cdn. Wallpaper A	*.25	12	11½	13
J. B. Carter A	.60	11½	11½	..
Casmont pfd.	7.00	108	..	..
Catelli Food A	.50+‡.05	25	25	..
Do. B	1.00+‡.05	36	35½	..
Celtic Knit	1.00	14½	10	..
Cent. Nor. Air. A	*.25	4.75	4.00	5.00
Do. B	..	4.00	..	2.50
Cinzano A	4½d	.30	.55	.50
Do. 5½% pf.	5½%	1.75	.77	..
Circle Bar Knit	..	4.75	..	3.75
Do. A	•	6	5	5½
Claude Neon A	..	4	3.60	3.60
Do. pf.	..	.60	.64	..
Cochrane-Dun.	..	16	16½	17
Coll. Term.	‡.30+.50	12½	12½	..
Do. pf.	‡.30+.50	12½	12½	..
Comb. Enter. pfd.	5.00	92	93	..
Cons. Fire Ins.	..	4.00	5.00	7.00
Cons. Textile pf.	1.00	21	..	22
Cont. Can.	‡▲.75	72½	80½	81½
Crain, R. L.	.60	17	16½	18
Cres. Cream. pf.	.	35	34	50
De Havilland A	*1.00	190	130	190
Disher Steel	*.50	11	10	12

	Div. Rate $	Last sale	Feb. 18 Bid	Ask
Stand Brands	‡.50+*.15	29½	38	39
Stand. Clay	..	10½	10½	13
Stand. Radio A	.60	11½	11½	11½
Stanley Brock A	.60	8	7½	8
Do. B	.40	5	5	5½
Sterl. Trust	1.40+‡.20	42½	42	44
Stowell A pref.	1.50	15	15½	19
Do. B	..	9	..	..
Stuart, D. A.	.80+*.20	14½	14½	..
Suez Canal Cap	..	♦249	249	..
Do. Founders	..	♦201	..	..
Do. Jouissance	..	♦226	153½	..
Sun Publish.	*Stk.+.30	36	..	..
Tamblyn 4% pref.	2.00	49½	50	51
Taylor Pearson 5% pref.	.50	10½	10½	11½
Tip Top Can. A	.50	5	7	8½
Tooke Bros.	..	75	.65	.85
Do. pref.	..	1.25	1.25	1.95
Tor. Mtge.	5.00+*.50	108	107	110
Tor. Savings	..	14	15½	..
Trad. Bldg.	1.20+‡.30	28½	26½	..
Traders Fin. A Rights	1.00	17	17	..
Do. B Rights	1.00	16½	18½	..
Do. 4½% Warr.	..	43½	47	..
Union Accept. Corp. pref.	.60	10½	11½	12
Un. Amuse. A	.50+*.15	11	10	12
Do. B	.50+*.15	11½	9	11½
Do. A V T.	.50	10	9	11½
United Can. Shs.	‡.30	17	16½	..
United Distil.	..	15	15	20
United Grain A	1.00	17½	17½	19
Viau Ltd.	2.00+‡1.00	56	60	73
Viceroy B	..	5	4.60	5.50
Victoria & Gr.	.80	22	22½	22½
Watson, Jack	.80	13	13½	..
Wellington Fire	*3.50	70	75	..
Wes. Mason pfd.	•	10	..	..
West. Grain	..	.30	..	..
Do. pref.	..	.60	..	..
West. Groc. A	2.00	39½	40½	..
West. Koot. pref.	7.00	■155	160	175
White Hard. pfd.	2.80	46½	46½	47
White Pass Y	..	18	16½	17½
Willson Stat.	..	37	36	38
Do. pref.	5.00	99½	98	..
Wilson, J. C.	•	5½	5½	..
Wpg. Winter Club	..	250	..	..
Woods Mfg.	*Stk.	35	35	..
York Knit A	•	2.50	2.30	2.50
Do. B	..	1.15	..	1.15
Zellers 4½% pfd.	..	52½	52	52½

▲U. S. funds. •Divid. deferred. ■Plus stk. divd. ♦♦Initial. ▲▲Participating divd. ■■On arrears. *Paid in 1954. ‡Payable in 1955.

Mining Stocks

	Div. Rate $	Last sale	Feb. 18 Bid	Ask
Ad. Astra	...	.16	...	.16
Atlas Y'K'fe	...	.16	.12	.14
Band Ore	...	.03½	.03	.04½
Berens River	...	.75	.70	.75
Bruce Cons.	...	.00½	...	.00½
Bulldog Yell.	...	.10	.09	.10
Canam	...	.50	...	.40
Canusa	...	.04	.04	.05
Cent. Manitoba	...	.11	.06	.10
Clix Ath.	...	.22½	.16	.24
Coast Copper	...	1.80	1.50	1.80
Coleman A	...	.10	.13	...
Coniagas	...	1.85	1.71	1.85
Coniaurum	...	.47	.47½	.50
Cons. Que. G	...	.85	.80	.89
Cron. Bab.	...	.05	.05	.05½
Cryderman	...	.01	.01	.03½
Dickstone C.	...	.02½	.02½	.05
Flin Flon	...	.01	.00½	.02
Forty-Four	...	.80	.76	.90
Gold Lake	...	.01	.01	.01½
Grandoro	*.02	.43	.43	.45
Great Falls	...	.04	.05	.05½
Hudson R.	...	.05½	.05½	...
Int. Nickel $5.00 pf.	▲7%	6.00	6.37½	...
Island Lake	...	.01	...	.01
Jeep Gold	...	.22	...	...
Kontiki	...	.12	.11	.15
Koot. Base	...	.02	.02	.03
Mandalay	...	.00½	...	...
Monpas	...	.03	.03½	.04½
L. Louvre	...	.03	.03½	.04½
Normandy	...	.01½	.01½	.02
Packsack	...	.01½	.01	.03½
Red Hawk	...	.02	.02½	.03½
Rice Lake	...	.01½	.00½	.01½
Rowan Cons.	...	.11	.10½	.13
Ryanor	...	.10½	.09	.10½
Scotia Gold	...	.01½	...	...
Sigma Mines	‡.20	5.20	5.10	5.20
S. Amer. G.	▲*.40	1.10	...	...
Spud Valley	...	.02	...	...
Star Lake	...	.01	.00½	...
Sturgeon River	...	.14	.14	.15
Towagmac	...	.10½	.09	.11½
Utica	...	.02	...	.02
West Ex.	...	.55	.55	...
Winnipeg R. Tin	...	.02	.02½	.03
Yellorex	...	.07½	.07½	.08½

OIL STOCKS

	Div. Rate $	Last sale	Feb. 18 Bid	Ask
Aldina	...	.02½	.02½	...
Coastal	...	.60	.70	...
Comand	...	.76	.75	...
Golden SP.	...	.08½	.07½	.09
Hargal	...	.04½	.04	.05
Marvel	...	.02	.01	.02
N. Davies	...	.13	.19½	.23½
Northland	...	.26	.26	.28
Pan Israel	...	2.65	...	...
Renfrew	...	.05½	.05½	.06
Royal Can.	...	.07½	.07½	.09
Tri-Zone	...	.07½	.07	.08½
Turner V.	...	.33	...	...
Vanalta	...	.20	.20	.23

▲U S Funds. •Dividend deferred. *Paid in 1954.

Bond Redemptions

Bond issues:	Rate	Year	Date	Cal. Pr.
•Aluminum Co. of Can. Ltd. s.f. Debs.	4½%	'73	Mar. 1	101%
**Cdn. Brew. Ltd., s.f. Debs., Ser A	4½%	'79	Feb. 28	100%
*John Labatt Ltd., serl. debs. Ser. A	3½%	'54-'61	Mar. 2	$100.125-$100.75
John Labatt Ltd., serl. debs. Ser. A	3½%	'52-'71	Mar. 2	$100.125-$102.00
John Labatt Ltd., serl. debs. Ser. B	5%	'72	Mar. 2	$104.25
John Labatt Ltd., serl. debs. Ser. C	5%	'73	Mar. 2	$104.75
John Labatt Ltd., serl. debs. Ser. C	5%	'54-'66	Mar. 2	$100.25-$101.5
▲Loblaw Groc. Co. Ltd. 20 yr. s.f. deb. Ser. B	4½%	'74	Mar. 2	102%
▲▲Loblaw Groc. Co. Ltd. 20 yr. s.f. deb.	4½%	'73	Mar. 1	101.90%
♦Rio de Janeiro Tramway, Lt. & Pwr. Co. Ltd. Oblig. de Cinq Cents Francs. Cal. B & C	5%	'58	Apr. 1	....
§Rio de Janeiro Tramway Lt. & Pwr. Co. Ltd 50 yr. Mtge Bds. Cal. A	5%	'58	Apr. 1	....
■■Robinson, Little & Co. Ltd., s.f. debs.	6%	'66	Mar. 15	102.25%
♦♦Steinberg's Ltd. s.f. debs.	5½%	'72	Feb. 28	100%
■Supertest Pet. corp. Ltd., conv. s.f. debs.	4%	'70	Mar. 1	100%
*Union Accept. Corp. Ltd. conv s.f. debs. Ser. B	5½%	'70	Mar. 1	105%

•$2,000,000.
*All outstanding.
♦♦$197,000.
§$612,704.
♦$43,434.
▲$500,000.
▲▲$400,000
**$500,000.
■$119,000.
■■$57,000.

Company Meetings

Date	Company	Place
Feb. 24	Dom. Oilcloth	Montreal
Feb. 24	Gt. Lakes Pap.	Toronto
Feb. 24	N. A. Acc. Ins.	Montreal
Feb. 24	Orange Crush Ltd.	Toronto
Feb. 25	Kirkland Lake G. M.	Toronto
Feb. 25	Westborne Oil	Montreal
Feb. 26	O'Leary Mal.	Noranda, P.Q.
Mar. 1	Hudson Bay Ins.	Montreal
Mar. 1	Liverpool Man. Assce.	Montreal
Mar. 2	Lake Shore M.	Kirkland Lake
Mar. 3	Bellekeno M.	Toronto
Mar. 3	Building Products	Montreal
Mar. 4	Emerald G. M.	Vancouver
Mar. 4	Dom. F'dries & Steel	Hamilton
Mar. 4	Violamac M.	Toronto
Mar. 7	Alta. Pac. Cons. Oils	Calgary
Mar. 7	Sunset Oils Ltd.	Calgary
Mar. 8	Cdn. Brew.	Toronto
Mar. 8	Nechi Cons. Dredging	Vancouver
Mar. 9	Inter-State Royalty Corp.	Montreal
Mar. 9	Melchers Dist.	Toronto
Mar. 10	Bell Telephone	Montreal
Mar. 11	Cdn. Gen. Invest.	Toronto
Mar. 11	Johns-Manville Corp.	New York, N.Y.
Mar. 11	Third Cdn. Gen. Invest. Tr.	Toronto
Mar. 14	Tor. Mut. Life Insce.	Toronto
Mar. 15	Cdn. Breweries	Toronto
Mar. 24	United Corp.	Montreal
Mar. 30	Can. N.W. Land Co.	Toronto
Mar. 31	Triad Oil	Calgary
Apr. 5	Imp. Tobacco	Montreal
Apr. 19	Chrysler Corp.	Highland Park, Mich.
Apr. 21	National Lead	Sayreville, N.J.
Apr. 28	Asbestos Corp.	Montreal
Apr. 29	Anglo-Cdn. Oil	Calgary
Apr. 29	Noranda M.	Toronto

Government Bonds

FEB. 22, 1955 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Govt. of Canada Bonds:			
3	Jan. 1959 ...	100¾	101¼
3	June 1960 ...	102	102½
3	Feb. 1952 ...	102	102½
3	Oct. 1963 ...	102	102½
3	Sept. 1956 ...	101½	102
3¼	June 1966 ...	101½	101¾
3	Perpetual ...	95	96
2¾	June 1968 ...	93½	93¼
3¼	Jan. 1975/78	107¼	108½
3¼	June 1974/76	101½	102
Cdn. Nat. Railways:			
3	Jan. 1959 ..	100½	100¾
4½	Feb. 1956 ..	▪102½	102¾
4¾	June 1955 ..	▪101	101½
2¾	Jan. 1967 ..	93¼	99¼
3	Jan. 1965 ..	101	102
2¾	Sept. 1969 ..	93¼	99½
4½	July 1957 ..	♦105¾	106
Govt. of C. Guaranteed Bds.:			
Cdn. Nat. W. Ind. S.S.:			
3	Mar. 1955 ...	100	100¼
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ...	▪102½	103
4	Jan. 1962 ...	▪108¼	109

[illegible] Can., N.Y. or £.
♦Payable Can. or N.Y.

%	Due	Bid	Ask
Prov. Govt. Bonds			
Alberta:			
2½	Mar. 1970 ...	96	98
British Columbia:			
4½	Jan. 1969 ..	♦112	115
3	Dec. 1960 ...	99½	100½
3	June 1964 ...	99	100
5	Sept 1959 ..	♦109	111
B C. Power Comm.:			
3	Oct. 1967 ...	96½	98½
Manitoba:			
4	Dec. 1957 ..	♦103	105
5	Dec. 1959 ..	▪109	111
5½	July 1958 ...	106	108
3	Oct. 1965 ...	97½	99
4½	Dec. 1956 ..	♦103	105
New Brunswick:			
4½	Apr. 1961 ..	♦107	109
2¾	June 1966 ..	93	94½
3¼	May 1957 ...	100	101
3¼	Sept. 1965 ..	99¼	100½
Nova Scotia:			
4½	Nov. 1960 ..	♦107	109
5	Mar 1960 ..	♦109	111
3¼	June 1963/65	99¾	100¾
3	June 1956/58	99	100½
2¾	June 1965/68	93½	95

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69	94½	96
4	June 1962 ..	▪107	109
4½	Jan. 1962 ..	♦108½	110½
2¾	July 1967/76	92	94
3	Nov. 1963/65	99½	100
5	May 1959 ..	▪109	111
Ont. Hydro Comission:			
4	Aug. 1957	▪103	105
2¾	Oct. 1965/68	93½	95½
3	Dec. 1963/65	99½	99¾
3	Nov. 1967/69	96¾	97¾
Prince Edward Island:			
3	Oct. 1965 ...	96½	98
Quebec:			
3¼	Mar. 1954/59.	100	101
4½	Aug. 1958 ...	104	105½
4½	Jan. 1963 ...	108	109½
3	Sept. 1962/64.	99½	100½
Quebec Hydro Commission:			
3	Feb. 1969/73 .	93¼	96½
3	Dec. 1958/60 .	100	101
Saskatchewan:			
4	Nov. 1955/60.	100	101½
5	Aug. 1958 ...	105	107
4½	Mar. 1960 ..	♦107	109
5	Dec. 1959 ..	♦109	111
3	Mar. 1963 ...	97½	99
3¼	Nov. 1960/62.	98½	100
3¾	Oct. 1962/65.	100½	102½
Newfoundland:			
4¾	July 1964 ...	105½	106½

†Callable on or after Sept. 15, 1966.

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

February 14, 1955

	Bid	Asked
Alexander Bldg. Corp. ..	5.00	8.00
Algoma C. & H.B. R. c. ..	23.75	24.75
Do. pfd.	1.50	....
Allens Toronto Units	43.00	....
Anglin Norcross pfd. ...	.50	....
Anglo Can. Telephone A	13.00	13.75
Ash Temple com.	2.35	2.85
Bowes Ltd. 1% pfd.	.70	.95
Brinton Peterboro Carpet	....	46.00
B. C. Sugar	99.00	101.00
Brit. Mtge. & Trust	210.00	217.00
Brockville Trust & Sav.	62.00	65.00
Can. Crushed S. 6% pfd.	97.00	....
Can. Cons. Grain com.	5.00	8.00
Can. Cons. Grain Units	85.00	....
Can. Delhi Pete	9.25	10.00
Can. Foreign Invest.	27.00	....
Can. Foreign Secur.	10.75	12.00
Can. Motor Lamp	20.00	21.50
Can. West Nat. Gas pfd.	18.25	19.00
Capital Wire Cloth com.	14.00	....
Carlton Club	110.00	....
Chase, Dr. A. W., com. ..	2.00	....
Colonial Stmshp. com.	190.00	215.00
Do. pfd.	67.00	71.00
Commercial Life 10% pd.	13.00	....
Concourse Bldg. V.T. ...	45.00	....
Crown Life Insce	1,950.00	2,000.00
Deben. & Sec. 6% pfd. ..	90.00	93.50
Detroit Internat. Bridge .	20.25	21.75
Dom. Can. Gen. Insce. ..	500.00	....
Dom. Linseed Oil pfd. ..	3.00	....
Dom. Manufacturers pfd.	90.00	....
Do. com.	1.25	....
Dover Industries	9.50	10.25
Essex Packers com.	2.00	2.50
Do pfd	35.00	....
Galt Brass	38.50	....
Goderich Elev. & Trans.	21.25	22.25
Granite Club	14.25	14.75
Gt. Br. & Can. Inv. com.	7.50	8.25
Do. pfd.	108.00	....
Gt. Lakes Power com. ..	15.50	....
Gt. West Life Assce	235.00	250.00
Guarantee N. Am. ful. pd.	415.00	440.00
Do. 20% pd.	84.50	....
Halifax Insurance	14.00	15.50
Heaps Waterous	2.00	2.50
Highland Dairy pfd. ...	43.00	....
Homewood Sanitarium ..	....	94.00
Hudson's Bay Co.	21.00	22.00
Humber Amusement Pier	.40	....
Humberstone Shoe	10.00	11.50
Ingersoll Mach. Tool B ..	5.00	....
Ingram & Bell pfd.	104.00	....
Indust. Mtge. & Trust ..	68.00	....
Internat. Holdings	18.25	19.25
Jenkins Bros. com.	35.00	....
Lambton Golf Club	200.00	....
Lambton Loan, Sarnia ..	81.00	....
Lawson & Jones 1% pfd.	.65	....
Lond. Can. Inv. $3.00 pfd.	47.00	....
Do. A	37.50	....
London Life Assce	65.00	....
Manufacturers Life Insce.	205.00	215.00
Maxwell Ltd. $6.00 pfd. ..	78.00	....
Medical Arts B., Toronto	44.00	....
Monarch Life 40% pd. ..	190.00	....
Nat. Sewerpipe new pfd. (with bonus com.)	12.75	....
Niagara L. Arch Bridge .	62.00	66.00
Northern Telephone	1.95	2.10
Oakville Golf Club	20.00	30.00
Oakville Wood 6% pfd. ..	87.00	93.00
Para. Oshawa Theatres .	12.50	....
Park Lawn Cemetery	1.35	....
Pembina Pipe Line com.	14.50	15.00
Prairie Royal. Trust Units	2.25	....
Prudential Trust	16.00	....
Reliance Pete A & B ...	20.50	....
Do. pfd.	42.00	....
Ritchie Cut Stone pfd. .	13.25	....
Robt Jones Whitman pfd.	21.00	....
Royal Oak Dairy B	2.75	....
Sawyer Massey com.	3.25	4.50
Second Stand. Royal pfd.	.03	.04
Sincennes McNaugh. Line	3.25	....
Skyway Drive-In Theatre	1.25	2.00
Sovereign Life 25% pd. .	71.00	....
Stanfield A & B	10.50	....
Standard Fuel pfd. Div. $2.25	34.50	35.50
Do. com.	2.00	2.75
Summit Golf	18.00	24.00
Sun Life Assce.	292.00	298.00
Toronto & London Inv. ..	2.20	2.50
Union Accept. 6% pfd. (with warr's. for com. at $11.00)	27.00	....
Do. Warrs. (for com. at $11.00)	6.75	....
United Can. Shares	16.00	....
United Steel 6% pfd.	26.00	27.00
Universal Cooler pfd.	89.00	94.00
Waterloo Mfg.	8.75	9.25
Waterloo Trust	26.50	....
Western Assce.	125.00	....
Wood Alexander 6% pfd.	85.00	90.00

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
No. of Securities	11	9	3	5	10	14	10	15	9	8	14	101
*1953 to date:												
High	598.6	873.7	172.7	178.6	410.5	158.3	526.5	410.6	169.1	243.8	187.1	216.5
Low	69.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1954 Monthly Figures:												
Jan.	395.3	562.6	129.3	126.1	168.8	122.9	434.5	283.6	131.5	185.5	149.1	157.4
Feb.	418.4	589.4	129.9	136.3	158.4	123.6	447.9	286.8	134.0	189.6	151.9	163.2
Mar.	432.8	596.4	131.1	136.4	166.3	123.8	440.0	285.2	137.2	192.5	153.3	165.0
Apr.	458.8	628.5	133.9	145.4	163.1	124.6	453.6	298.6	145.0	195.4	159.5	173.6
May	474.2	679.8	137.6	147.6	153.2	133.0	476.4	322.8	152.6	204.0	162.4	179.5
June	469.1	685.1	134.0	142.8	151.4	136.8	474.5	321.7	151.8	212.2	167.2	180.5
July	503.6	718.4	138.3	138.2	151.6	135.5	480.1	331.4	156.4	216.4	169.4	182.3
Aug.	520.8	744.3	145.4	142.1	161.2	142.6	497.6	348.5	156.7	217.3	170.2	187.0
Sept.	510.7	750.1	151.9	145.0	154.1	144.5	509.4	347.6	159.0	215.0	170.4	189.5
Oct.	499.0	740.0	156.8	150.8	167.0	144.9	500.0	342.7	158.8	217.4	171.4	190.2
Nov.	523.2	789.3	158.4	158.4	170.2	150.9	519.8	358.7	156.6	224.2	173.8	199.5
Dec.	554.9	830.4	156.5	163.5	175.2	150.8	521.5	385.6	162.9	227.0	181.8	206.8
1955 Weekly Figures:												
Jan. 6	546.3	827.2	▪154.0	161.7	179.1	153.2	▪511.5	392.5	166.0	▪230.3	▪180.5	▪205.6
Jan. 13	554.7	835.6	158.1	164.4	178.5	154.8	511.7	394.8	167.2	229.3	181.9	207.8
Jan. 20	551.5	838.0	158.1	159.1	180.6	154.6	512.1	393.5	163.8	230.9	180.0	206.1
Jan. 27	564.3	861.1	161.5	158.9	180.1	156.1	508.5	402.9	165.6	232.6	181.6	209.6
Feb. 3	575.0	873.1	172.5	160.8	181.1	155.9	509.0	405.7	168.4	237.3	181.8	211.8
Feb. 10	586.8	869.8	168.4	161.2	177.4	158.3	518.8	410.6	167.6	241.4	184.0	214.3
Feb. 17	598.6	873.7	172.7	162.4	178.0	158.2	524.7	405.6	169.1	243.8	185.4	216.5

▪Revised

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	15 B.M.	15 W.O.
Feb. 21	385.16	85.45	168.72	108.14
Feb. 18	384.60	84.11	167.90	107.78
Feb. 17	384.35	82.73	168.30	107.72
Feb. 16	383.98	81.78	169.14	108.70
Feb. 15	383.38	81.63	169.31	108.88
Month Ago	378.26	81.74	162.51	104.06
Year Ago	323.95	72.96	137.80	92.27
1954-55 High	385.93	85.64	170.34	109.76
1954-55 Low	311.85	67.74	136.96	83.06

Montreal Stock Exchange Index

	10 Util.	20 Indus.	30 Com.	10 Pprs.	15 Golds
Feb. 21	121.4	254.4	210.0	1206.17	70.28
Feb. 18	121.8	254.3	210.1	1213.74	70.35
Feb. 17	121.5	253.7	209.7	1203.80	69.46
Feb. 16	121.3	252.8	209.0	1200.42	69.64
Feb. 15	120.8	253.0	208.9	1197.24	70.31
Mon. Ago	118.6	246.5	203.9	1193.69	68.41
Year Ago	96.4	183.8	154.7	827.79	54.86
54-55 High	121.8	254.3	210.1	1224.12	71.54
54-55 Low	92.4	182.0	153.4	767.09	48.69

Dow-Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
Feb. 21	411.28	148.11	63.93	152.92
Feb. 18	411.63	146.61	63.65	152.41
Feb. 17	410.41	145.65	63.60	151.86
Feb. 16	409.98	146.12	63.79	152.00
Feb. 15	411.95	146.52	63.77	152.53
Month Ago	396.00	141.19	62.80	147.32
Year Ago	291.07	102.38	54.39	111.32
1954-55 High	413.99	148.11	63.93	152.92
1954-55 Low	278.87	94.34	52.22	106.03

Oil Stocks (Continued)

1.75	.72	...	Cdn. Br. E.	19,950	1.65	1.63	1.45	1.52
.89	.50	...	Cdn. Dec.	24,666	.85	.86	.75	.75
.29	.18	...	Do. warr.	15,300	.25	.29	.25	.26
2.95	.70	...	Cdn. Dev.	34,815	2.10	2.14	1.95	2.00
.41	.09	...	Cdn. Emjay	4,900	.12	.13	.12½	.13
.07½	.03½	...	N. Pacalta	1,000	.04½	.05	.05	.05
.10	.04½	...	New Ranch	9,000	.09	.09	.08½	.08½
.25	.09	...	N. Richfield	5,700	.23	.23½	.22½	.23½
.41	.07	...	N. Springer.	6,000	.09	.09	.09	.09
4.25	2.05	...	N. Superior.	5,007	2.75	2.99	2.75	2.75
		...	Nordon	1,000	.14	.13½	.13½	.13½
		...	North Can.	4,800	4.60	4.75	4.50	4.70
		...	N. Cont.	6,000	.03	.03	.03	.03
		...	Nucco	3,725	.70	.72	.65	.72
		...	Oil Select	29,167	.05	.05	.04½	.05
		...	Okalta	5,480	1.55	1.59	1.51	1.55
		...	Pac. Pete.	13,250	11.87½	12.00	11.50	11.50
		...	Pan West	11,500	.33	.34	.30½	.30½
		*.30	Parker Drill.	300	4.00	4.25	4.20	4.20
		...	Pathfinder	23,645	.70	.74	.70	.71
		...	Peace River	3,380	8.20	8.10	7.75	8.00
.80	.37	...	Wilrich	35,300	.49	.50	.46	.47
.14	.05½	...	Yk. Can.	6,230	.07½	.08½	.08	.08
1.00	.31	...	Yk. Princ.	9,300	.70	.72	.70	.70
.18	.06	...	York Oils	8,000	.11	.11	.11	.11

▴U. S. funds. ♦Div. deferred. ♦♦Initial. *Paid in 1954. ‡Payable in 1955.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

February 22, 1955

Issues	Int. Rate	Due	Bid	Ask	Prev. Week Bid
N. Sup. Oils	5	'64	95	98	95
North Star Oil	5½	'68	99	102	99
Pathfinder Pet	1-5	'62	65	75	65
Ponder Oils	5	'65	95	100	94
Scurry Oils	5	'64	97	100	97
Silverwood Dair.	5½	'72	114	118	114
Supertest Pete.	4	'70	105	109	108
Traders Fin.	4¾	'69	123	128	120
Trans Empire	5	'66	93½	96½	93½
Do.	5½	'67	98	101	98
West. C. Brew.	5	'67	114	118	114

Investment Trusts

	Divd. pd.▴ cents	Bid $	Ask $
Affiliated Funds	......	5.92	6.41
All-Can. Comp. Fund	......	...	...
All-Can. Div. Fund	......	...	...
Balanced Mut.	(15)	4.80	5.27
Can. Invest. Fund	8(29)	7.93	8.69
Canafund	(110)	30.52	33.42
Com'wealth Inter.	11(26)	6.84	7.52
Corporate Inv.	6.25(26.5)	7.60	8.26
Diversified Inc. shs. B	6(10)	...	...
Dom. Equity Inv.	(40)	13.10	13.40
Grouped Inc.	5(22.5)	6.51	7.10
Inter-Amer.	......	10.84	11.91
Investors Mut.	7(29)	8.61	9.31
Leverage Fund	(20)	5.11	5.62
Mut. Ac F.	(22.546)	5.37	5.83
Mutual Income	(18.20)	4.63	5.03
Resources of Can.	6(10)	6.47	7.11
Sup'vised Amer.	(6)	5.68	5.74
Sup'vised Gr'th Fund	4.5+Stk.	2.30	2.32
Sup'vised Inc. Fund	22+Stk.	4.38	4.42
Timed Invest.	(20)	†5.25	*5.25
Trans-Can. A	(75.4)	23.80	...
Do B	(78.6)	24.00	...
Do. C	(15.6)	5.05	5.40

†Less or (*) plus stock exchange commission.
▴Paid or payable in 1955; total paid in 1954 in brackets.

Bond Tenders

12, noon, Feb. 25, 1955, Government of Canada Treasury Bills—Payable May 27, 1955 and Nov. 25, 1955, $50,000,000. Dated Feb. 25 1955.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Feb. 21	605,900	4,937,000	231,094	......	4,320,000
Feb. 18	604,200	5,317,000	125,227	142,391	4,990,000
Feb. 17	536,300	4,833,000	142,606	191,836	4,100,000
Feb. 16	471,700	4,799,000	167,233	157,832	4,770,000
Feb. 15	577,800	4,301,000	189,938	149,273	4,670,000

Dividends Declared

	This payment	Date payable	Date of record
Waite Amulet	.35	Mar. 10	Feb. 16
H. Walker-Good.	.75	Apr. 15	Mar. 18
L. E. Waterman Pen	.10	Mar. 15	Mar. 1
Waterous Equip.	.25	Mar. 15	Mar. 1
Do. 6% pf.	.60	Mar. 15	Mar. 1
Do 6% pf. .. .11		Apr. 1	on redempt.
Westeel Prod.	.30	Mar. 15	Feb. 25
West. Can Brew.	.25	Mar. 1	Jan. 31
Western Trust	4.00	Mar. 1	Feb. 15
Geo. Weston 4½% pf.	1.12½	Mar. 1	Feb. 15
G. H Wood 5½% pf.	1.37½	Mar. 1	Feb. 15
Wright-Harg. M.	.03	Apr. 1	Feb. 25

♦Initial following change of name & cap. reorg.
†U. S. funds. ‡Extra.
*The ex-dividend date is usually at least two full business days prior to the record date.
▪Initial.
▪▪1 com. sh. for ea. com. sh. held.
♦Final distrib. from amort. fund.

Unlisted Mines and Oils

(By the Broker-Dealers' Ass'n of Ontario)

	Bid	Ask		Bid	Ask
Jardun	23	26	Viking	12	16
Jerome	10	13	Wedge	4	6
Kamlac	*9	11	Wesley	3	5
Ken Bay	†5	7	Westall	10	12
Kenda P	3	5	West RL	1½	2½
Kenog	8	10	W Wasa	7	9
L Rong	70	80	Y David	6	8
L Nord	*112	120	Yellw vt	250	..
Larum	*14	17	**OILS**		
L Expan	†27	30	Albfield	5	7
Lassie	5	7	Cn Sup	†1425	1475
Lowr Can	2	4	Franco	27	32
Lun Ech	*40	43	Major Oil	2	3
Magoma	26	30	Nw Ranch	†7½	8½
Mallen	3	4	O Smoky	†12	15
Man Ech	12	15	Paig Pet	9	12
Mar Bird	3	5	Wes Lock	5	7

Stock Redemptions

Company:	Rate	Date	Price
*Imp. Tobacco cum. s.f. pf.	4%	Mar. 1	▪25.62½
♦Peoples Credit Jew. Ltd. cum. pf. ($100 par)	6%	Mar. 1	....
*Robinson Cotton Mills Ltd., non cum. pf. shs.	3%	Mar. 4	$5.00
*Union Accept. Corp. Ltd., cum. Red. s.f. pf.	60c	Apr. 1	$11.00
*Waterous Equip. Ltd. cum. cv pf. ($40 par)	6%	Apr. 1	▪42.50

▪Plus accrued dividends.
*All outstanding.
♦249 shares.

Municipal Bonds

February 22, 1955

	Coup. %	Matur.	Bid. $	Ask. $	Yld. %
Calgary	3½	'69	96¾	98¾	3.60
Edmonton	3½	'69	96¾	98¾	3.60
Halifax	3½	'66	95¾	97¾	3.75
Hamilton	3	'67	93	95	3.50
Montreal	3	'70	90	92	3.65
Moose Jaw	3½	'60	97¾	99¾	3.55
Ottawa	3¼	'68	98½	100½	3.20
Regina	3	'64	92¾	94¾	3.60
S. J'hn N.B	3½	'65	95½	97½	3.80
Toronto	3	'68	93½	95½	3.40
Vancouver	3¾	'69	99	100	3.75
Victoria	3¾	'68	98	100	3.75
Windsor	2¾	'75	77	79	4.25
Windsor	2½	'75	73½	75½	4.25
Windsor	3½	'75	87½	89½	4.25
Winnipeg	3	'69	93¾	95¾	3.40

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments. Offerings of Corporation and Foreign Securities

DOMINION

Government of Canada Treasury Bills—Due May 20, 1955 and Nov. 18, 1955, $50,000,000. Issued Feb. 17, 1955. Sold at $99.786 to yield .86% and $99.153 to yield 1.14%.

PROVINCIAL

Hydro-Electric Power Commission of Ontario (Guaranteed by the Province of Ontario)—3% and 3½% bonds, to mature Mar 1, 1963 and Mar. 1, 1977, $65,000,000. Dated Mar. 1, 1955. Offered at $100.00 and accrued interest to yield 3.00% and $99.75 and accrued interest to yield 3.52% by McLeod, Young, Weir & Co. Ltd., Wood, Gundy & Co. Ltd., Bell, Gouinlock & Co. Ltd., A. E. Ames & Co. Ltd., Mills, Spence & Co. Ltd., Dominion Securities Corpn. Ltd., Royal Securities Corp. Ltd., Midland Securities Corpn. Ltd., Cochran, Murray & Co. Ltd., Harris & Partners Ltd., Burns Bros. & Denton Ltd., Dawson, Hannaford Ltd., Equitable Securities Canada Ltd., Gairdner & Co Ltd., R. A. Daly Co. Ltd., W. C. Pitfield & Co. Ltd., James Richardson & Sons, Bankers Bond Corpn. Ltd., Collier, Norris & Quinlan Ltd., Fry & Co., Matthews & Co., Harrison & Co. Ltd., Anderson & Co Ltd., Bartlett, Cayley & Co. Ltd., Brawley, Cathers & Co., J. L. Graham & Co. Ltd., Charles H. Burgess & Co., Flemming & Co. and Walwyn, Fisher & Co.

Village of Warfield, B.C. (Guaranteed by Province of B. C.)—3¾% debentures, due July 2, 1955-72, $24,000. Issued Feb. 10, 1955. Bought privately by A. E. Ames & Co. Ltd. and Canadian Bank of Commerce.

Province of New Brunswick—3% debentures, due Mar. 15, 1959, $6,849,000. Issued Feb. 10, 1955. Sold privately to a group of dealers headed by Dominion Securities Corpn. Ltd.

MUNICIPAL

School Commission of Ste. Catherine D'Alexandrie, P.Q.—3%, 3½% and 4% debentures, due Jan. 1, 1956-57-65-75, $64,500. Issued Jan. 31, 1955. Sold at $93.01 to Gaston Laurent Inc.

Mun. of Cap Sante, P.Q.—4% debentures, due Dec. 1, 1955-74, $7,500. Issued Jan. 31, 1955. Sold directly at $100.00.

Rural Mun. of St. James, Man.—3% debentures, due July 1, 1956-75, $1,000,000. Issued Jan. 31, 1955. Sold at $99.50 to A. E. Ames & Co. Ltd., Wood, Gundy & Co. Ltd. and Royal Bank of Canada.

Village of St. Raymond, P.Q.—4% debentures, due May 1, 1955-74, $42,000. Issued Jan. 31, 1955. Sold directly at $100.00.

School Commission of Town of Farnham, P.Q.—3½% debentures, due Feb. 1, 1956-65, $22,000. Issued Feb. 3, 1955. Sold at $98.75 to Rene T. Leclerc, Inc.

Township of Moore, Ontario—4¼% debentures, due Dec. 15, 1955-74, $80,000. Issued Feb. 7, 1955. Sold at $101.20 to J. L. Graham & Co. Ltd.

School Commission of Villeneuve, P.Q.—3% and 4% debentures, due Dec. 1, 1955-64-74, $67,000. Issued Feb. 7, 1955. Sold at $97.484 to Grenier, Ruel & Co. Inc.

Town of Whitby, Ontario—3% and 4% debentures due Mar. 1, 1956-65-75, $200,500. Issued Feb. 7, 1955. Sold at $101.469 to Equitable Securities Canada Ltd.

Town of Renfrew, Ontario—4% debentures, due Mar. 1, 1956-75, $60,000. Issued Feb. 8, 1955. Sold at $101.40 to Bell, Gouinlock & Co. Ltd.

Village of Ste. Anne-de-Beaupre, P.Q.—3½% and 4% debentures, due Mar. 1, 1956-65-75, $145,000. Issued Feb. 8, 1955. Sold at $98.85 to A. E. Ames & Co. Ltd.

Parish of St. Vincent-de-Paul, P.Q.—3%, 3½% and 4½% debentures, due Feb. 1, 1956-65-70-75, $151,000. Issued Feb. 8, 1955. Sold at $95.14 to Banque Canadienne Nationale and Credit-Quebec Inc.

Board of School Trustees of Saint John, N.B.—3¼%, 3½% and 3¾% debentures, due Mar. 1 1956-60-65-75, $500,000. Issued Feb. 9, 1955. Sold at $98.41 to A. E. Ames & Co Ltd., Royal Bank of Canada, F. J. Brennan & Co. Ltd. and Stanbury & Co. Ltd.

Town of Lachute, P.Q.—4% debentures, due Dec. 1, 1955-64, $38,500. Issued Feb. 9, 1955. Sold directly at $100.00.

Town of Windsor, Ontario—4½% debentures, due Dec. 31, 1955-74, $460,000. Issued Feb. 9, 1955. Bought privately by Mills, Spence & Co. Ltd. and Bell, Gouinlock & Co. Ltd.

PREFERRED

Union Acceptance Corporation Limited—78,000 participating non-voting preference shares (no par value). Offered at $11.00 per share to yield 5.45% by Bankers Bond Corporation Ltd.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Insurance

NORTHERN LIFE ASSURANCE CO. London, Ont., sales of new insurance in 1954 totaled $25,137,669, up 6.8% from $23,542,711. Business in force at Dec. 31, 1954, including annuities totaled $180,928,243, an increase of 8.1% over previous year-end total of $167,387,025.

Assets increased by $2,583,603, with most of the increase in provincial and corporate bonds, and in mortgages, report President R. G. Ivey and General Manager H. L. Sharpe. Gross interest earned rose to 4.94% from 4.87% in 1953; net yield was 4.56%.

Mortality experience in 1954 was the second most favorable in company history. All cost ratios, except first-year, showed modest reductions.

Dividends to policyholders paid and accrued were increased by 14%, and directors have provided for further increase in scale of dividends to some of company's older policyholders.

	1954	1953
	$000	
Insurance in force	177,449	163,817
Annuities in force	3,479	3,570
New business*	25,138	23,543
Total income	5,237	5,181
Premiums	3,734	3,795
Int., divds., rents	1,483	1,347
Other income	......	39
Policy payments	1,712	1,664
Exps. & taxes	1,400	1,339
Other payments	205	110
Incr in pol. res., etc.	1,659	1,806
Incr in surplus	261	260
Liabs. to p'holders incl. actuarial res.	28,902	27,527
Bank overdraft	297	......
Other liabs	655	572
Liabs. to sh'holders	390	367
Spec. res.	500	435
Total assets	32,367	30,172
Surplus	1,533	1,271
Gross int. earned	4.94%	4.87%

*Insurance only.

ADMINISTRATION & TRUST CO. net profit for 1954 was $193,584, 38.2% higher than net profit for 1953 of $140,095.

	1954	1953
Liabs. to pub., etc.*	$13,022,773	$11,083,842
Sh'holders' equity	2,086,251	1,938,167
*Secured by:		
Mortgages	1,283,858	1,257,526
Furn. & fixtures	47,189	31,670
Liquid assets♦	13,777,977	11,782,813
Total	15,109,024	13,072,009
♦Including stocks and bonds.		
Estates accounts	177,933,437	170,121,731
Net profit	193,584	140,095
Earned per Share	$4.05	$2.93
Paid	2.00	2.00

STOCK MARKET SUCCESS STORY

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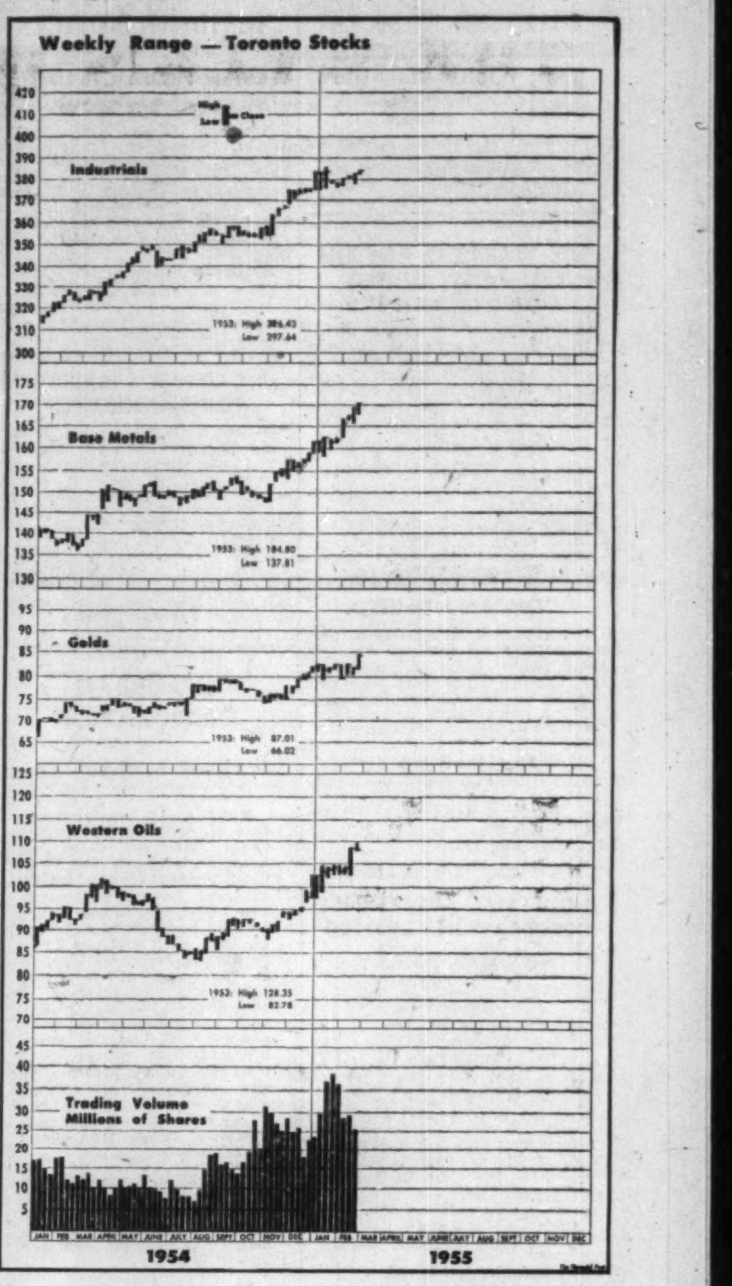

Market Comment on P. 32

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$18.86	$19.77	$17.51
Hogs	25.77	26.34	35.60
Copper, lb	.33	.33	.29½
Sugar, raw, lb.	.0542	.0545	.0552
Coffee, lb.	.60¼	.60	.72¼
Hides	.12½	.12½	.12½
Weekly Commodity Indices			
Dow Jones	164.46	172.27	169.36
U. S. Labor	110.3	110.3	110.5
Monthly Commodity Indices			
Canada (D.B.S.)			
Retail (Jan.)†	116.4	116.6	115.7
W'sale (Dec.)	215.3	214.8	219.0
C. F'm Pro. (Dec.)	204.7	203.8	210.2
U. S. (Dec.)	109.5	110.0	110.2
Gt. Brit. (Nov.)	330.7	▪328.9	327.2

Note: †Cost-of-Living Index Revised to the Base of 1939=100.

▪Revised.

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto, Copper-electrotype., New York Coffee No. 4 Santos, Spot Raw Sugar 96 degrees centrifugal c.i.f.

Opportunities in WARRANTS

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- How do you avoid the equally great losses which may follow unintelligent speculation in warrants?
- What warrants are outstanding in today's market and how should they be bought and sold?

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DIVIDEND NOTICES

Johns-Manville Corporation
DIVIDEND

The Board of Directors declared a dividend of 75c per share on the Common Stock payable March 11, 1955, to holders of record Feb. 28, 1955.

ROGER HACKNEY, Treasurer

THE WABASSO COTTON COMPANY, LIMITED
NOTICE OF DIVIDEND

A dividend for the quarter of fifteen cents (15c) per share has been declared on the Capital Stock of the Wabasso Cotton Company, Limited, payable on the 1st April, 1955, to shareholders of record as at close of business on the 7th March, 1955.

By Order of the Board.

H. W. CAPEL, Secretary-Treasurer.

Montreal, Que., 17th February, 1955.

BURRARD DRY DOCK COMPANY LIMITED

NOTICE IS HEREBY GIVEN that a quarterly dividend of 11c per share on the Class "A" shares of the Company has been declared payable on the 15th day of March, 1955, to shareholders of record at the close of business February 21st, 1955.

By Order of the Board.

J. W. HUDSON, Secretary-Treasurer.

Vancouver, B.C., February 9th, 1955.

INDUSTRIAL ACCEPTANCE CORPORATION LIMITED
DIVIDEND NOTICE

IAC

Notice is hereby given that the following dividend has been declared for the quarter ending March 31st, 1955, payable March 31st, 1955, to shareholders of record at the close of business March 7th, 1955.

$ .62½ per share on no par value Common stock.

By order of the Board.

K. J. DOIG, F.C.I.S., Secretary-Treasurer.

Montreal, Quebec February 15, 1955.

PEMBINA PIPE LINE, LIMITED
PREFERRED SHARES

A dividend of fifty-five and one-half cents, $0.55½ per share on the 5 per cent cumulative redeemable first preferred shares of the Company has been declared for the portion of the quarter ending March 1st, 1955, payable on March 1st, 1955, to Shareholders of record on February 21st, 1955.

By Order of the Board.

E. W. COSTELLO, Secretary.

Calgary, Alberta.

IMPERIAL TOBACCO COMPANY OF CANADA LIMITED
— DIVIDENDS —

NOTICE IS HEREBY GIVEN THAT

A Final Dividend (No. 211) of Ten Cents (10c) per share on the paid-up Common Shares of the Company for the year ended 31st December, 1954 has been declared payable on Thursday, 31st March, 1955 to shareholders of record at the close of business on Monday, 28th February, 1955.

An Interim Dividend (No. 212) of Ten Cents (10c) per share on the paid-up Common Shares of the Company has been declared payable on Thursday, 31st March, 1955 to shareholders of record at the close of business on Monday, 28th February, 1955.

A Semi-Annual Dividend (No. 86) of Three per cent (3%) on the paid-up 6% Preference Shares of the Company has been declared payable on Thursday, 31st March, 1955 to shareholders of record at the close of business on Monday, 28th February, 1955.

By Order of the Board.

H. E. JACKSON, Secretary.

Montreal, P.Q., February 17, 1955.

Abitibi
DIVIDEND NOTICE

Notice is hereby given that dividends, in the respective amounts per share set out below, have been declared payable April 1, 1955, to shareholders of record at the close of business, March 1, 1955, on the following outstanding shares of ABITIBI POWER & PAPER COMPANY, LIMITED:

Preferred 28⅛c per share
Common 30c per share

By Order of the Board.

L. B. POPHAM, Secretary.

Toronto, February 10, 1955.

Public Service Electric and Gas Company
NEWARK, N. J.

QUARTERLY DIVIDENDS

Dividends of $1.02 a share on the 4.08% Cumulative Preferred Stock, $1.04½ a share on the 4.18% Cumulative Preferred Stock, 35 cents a share on the $1.40 Dividend Preference Common Stock, and 40 cents a share on the Common Stock, have been declared for the quarter ending March 31, 1955, all payable on or before March 31, 1955 to holders of record at the close of business on March 1, 1955.

F. MILTON LUDLOW, Secretary

NJ PUBLIC SERVICE
CROSSROADS OF THE EAST

DIVIDEND NOTICES

WESTEEL PRODUCTS LIMITED
DIVIDEND NO. 40

Notice is hereby given that a quarterly Dividend of thirty cents per Share has been declared on the outstanding Capital Stock of the Company, to be payable in Canadian Funds on the 15th day of March, 1955, to Shareholders of record at the close of business on February 25th, 1955.

By Order of the Board.

A. W. MORRISON, Treasurer.

Toronto, February 18th, 1955.

THE CALGARY & EDMONTON CORPORATION LIMITED

Notice is hereby given that a dividend of five cents per share was declared on the 9th day of February, 1955, payable on the 15th day of April, 1955, to shareholders of record at the close of business on the 11th day of March, 1955.

By Order of the Board.

CHAS. E. REECE, Secretary.

Dated at Winnipeg, Manitoba, this 9th day of February, 1955.

BEAUBRAN CORPORATION
NOTICE OF DIVIDEND NO. 11

NOTICE is hereby given that a dividend of Twenty Cents (20c) per share has been declared on the Ordinary Shares of the capital stock of Beaubran Corporation to be outstanding at the close of business on February 28, 1955, such dividend to be payable on March 15, 1955, (i) in the case of registered shares, to shareholders of record at the close of business on February 28, 1955, and (ii) in the case of shares represented by bearer share warrants, upon presentation and surrender of Coupon Number Eleven (11) to The Royal Bank of Canada, Charlottetown, Prince Edward Island, Canada.

Payment of such dividend to or for the account of non-residents of Canada will be subject to deduction of Canadian Non-Resident Income Tax of 15%.

By Order of the Board.

R. T. BROADHURST, Secretary.

February 21, 1955

SILKNIT LIMITED
DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 1¼%, Fifty Cents (50c) per share, has been declared on the 5% Cumulative Preference Shares of $40.00 par value of the Company, payable on the Fifteenth day of March, 1955, to shareholders of record Wednesday, the first day of March, 1955.

By Order of the Board.

H. T. BURGESS, Secretary.

SILKNIT LIMITED
DIVIDEND NO. 28

Notice is hereby given that a quarterly dividend of Twenty-Five Cents (25c) per share, has been declared on the Common Shares of the Company, payable on the Fifteenth day of March, 1955, to shareholders of record Wednesday, the first day of March, 1955.

By Order of the Board.

H. T. BURGESS, Secretary.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of Sixty-five Cents per share on the paid-up Capital Stock of the Corporation for the current quarter, and an extra dividend of Ten Cents per share have been declared, and that both Dividends will be payable Friday, the First day of April next, to Shareholders of record at the close of business on the Fifteenth day of March, 1955.

By Order of the Board,

J. W. ROSE, JR., Secretary.

Toronto, February 16th, 1955.

Anglo-Canadian Oil Company LIMITED
NOTICE OF DIVIDEND NO. 16

NOTICE is hereby given that a dividend of fifteen cents (15c) per share will be paid by Anglo-Canadian Oil Company, Limited, on or after the 15th day of April, 1955, to shareholders of record as of the 15th day of March, 1955. The Transfer Books of the Company will be closed from the 16th day of March, 1955, to the 31st day of March, 1955, both inclusive.

DATED at Calgary, Alberta, this 15th day of February, 1955.

By Order of the Board of Directors.

J. J. GRABER, Secretary.

TRANSFER AGENTS
Crown Trust Company,
Calgary, Alberta

DIVIDEND NOTICES

DELNITE MINES, LIMITED
TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND No. 19

TAKE NOTICE that a semi-annual dividend (interim) of 2% (i.e. two cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as dividend No. 19.

Such dividend will be payable April 1st, 1955, to shareholders of record at the close of business March 3rd, 1955.

In the case of Share Warrants such dividend will be payable on or after April 1st 1955, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 19 (accompanied by requisite evidence that the coupon holder is domiciled and resident outside of Ontario) at:

The Canadian Bank of Commerce, Toronto Branch, Toronto, Ontario, or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board,

W. S. WALTON, Secretary-Treasurer.

February 21st, 1955.

Gatineau Power Company
Dividend Notice

Quarterly dividends have been declared of $1.25 a share on the 5% Cumulative Preferred Shares, $1.37 a share on the 5½% Cumulative Preferred Shares and 30c a share on the Common Shares, in each case payable April 1, 1955 to holders of record at the close of business March 1, 1955. Cheques in payment will be mailed. Stock Transfer Books will not be closed.

ANDRE E. GADBOIS, Secretary.

Hull, P.Q., February 16, 1955.

NOTICE OF DIVIDENDS CATELLI FOOD PRODUCTS LIMITED

NOTICE is hereby given that pursuant to a declaration of dividends by the Board of Directors of the Company, the following payments will be made on February 28th, 1955, to Shareholders of record on February 18th, 1955:

a) One Cent (.01c) per share on the $1 Non Cumulative Redeemable Preferred Shares;
b) Thirteen Cents (.13c), regular quarterly dividend, plus Five Cents (.05c), additional dividend, on each Class "A" share;
c) Twenty-Five Cents (.25c), regular quarterly dividend, plus Five Cents (.05c), additional dividend, on each Class "B" share.

By Order of the Board.

ROMEO DESJARDINS, Secretary-Treasurer.

NOTICE OF DIVIDEND
Famous Players Canadian Corporation LIMITED
DIVIDEND NO. 84

NOTICE is hereby given that a dividend of Thirty-seven and One-half Cents (37½c) per share has been declared for the quarter ending March 31st, 1955, on all issued common shares of the Company, payable on Wednesday, the 30th day of March, 1955, to shareholders of record at the close of business on Friday, the 4th day of March, 1955.

By Order of the Board,

A. MacCUNN, Secretary.

Toronto, February 21st, 1955.

MERSEY PAPER COMPANY LIMITED
DIVIDEND NO. 11
PREFERENCE STOCK

NOTICE IS HEREBY GIVEN that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the outstanding Preference stock of the Company payable on the 1st day of April, 1955, to shareholders of record as at the close of business on the 12th day of March, 1955.

By Order of the Board.

J. A. PARKER, Secretary.

Liverpool, Nova Scotia, February 11th, 1955.

NOTICE OF DIVIDEND
JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 41 of twenty-five cents per share has been declared on the outstanding common shares without nominal or par value of the Company, payable on the First day of April, 1955, to shareholders of record at the close of business on the Sixteenth day of March, 1955.

By Order of the Board,

ALEX S. GRAYDON, Secretary.

London, Ontario, February 18th, 1955.

CANADIAN CELANESE LIMITED
Montreal, Que.

The Board of Directors has this day taken the following action with respect to Dividends:

PREFERRED SHARES, $1.75 SERIES

Forty-three and three-quarter cents (43¾¢) per share, which shall be deemed to be for the three months period from January 1, 1955 to March 31, 1955, has been declared payable March 31, 1955 to the holders of record at the close of business on March 11, 1955.

PREFERRED SHARES, $1.00 SERIES

Twenty-five cents (25¢) per share, which shall be deemed to be for the three months period from January 1, 1955 to March 31, 1955, has been declared payable March 31, 1955 to the holders of record at the close of business on March 11, 1955.

COMMON STOCK

Fifteen cents (15¢) per share, in respect of the first quarter of 1955, has been declared payable March 31, 1955 to the holders of record at the close of business on March 11, 1955.

A. G. ALLAN, Secretary.

February 16, 1955.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BELL TELEPHONE CO. consolidated net profit for the fiscal year ended Dec. 31, 1954, was $28,549,135, 6.3% higher than previous year's net of $26,848,740. Earnings per share declined from $2.65 to $2.44.

The 167,002 increase in number of telephones served was greater than in any previous year and brought total in service to 2,294,458, reports President Thomas W. Eadie.

Over-all increase in revenue amounted to 9%, with revenue from local service up 8% and from long distance service up 9%. Miscellaneous operating revenue rose 21%.

Total operating expenses rose 10%, the result primarily of larger pay rolls and an increase in depreciation expense. Fixed charges increased by 11%, the effect of a full year of interest on the $40 million 1953 and interest on the $40 million 1954 bond issue.

The company has adopted the straight line method of depreciation in its accounts while claiming tax allowance on the diminishing balance method. The resulting $4,886,000 reduction in income tax payable is shown as a deferred credit and will be appropriated when depreciation on the diminishing balance method falls below that on the straight line method and results in increased income tax payable.

For the first time in the company's history capital expenditure exceeded $100 millions, $105.3 millions compared with $85.7 millions for 1953.

Additional central office equipment, nearly all of it providing dial service, was installed in 261 offices. Twenty-three building projects associated with the provision of local service were completed and 18 were under construction at the year end.

Installation of the most modern type of long distance switching equipment was begun in Adelaide St. building, Toronto, and is scheduled to go into operation this summer, the president states. Work preparatory to a similar installation began in Montreal.

Progress was made in the use of microwave relay, Mr. Eadie reports. During the year the Toronto-Ottawa-Montreal radio relay chain was extended to Quebec, another link installed on the Toronto-Buffalo television link, network television brought to Kingston and work begun on a 44 tower chain from Toronto to Winnipeg.

Company added 65,000 miles of long distance telephone circuits.

Additional capital for construction was provided through the sale of $40 million 3¾% first mortgage bonds on the delayed delivery basis. Sales of shares through the Employees' Stock Option Plan realized a further $4,415,000.

Defence projects undertaken by the company in 1954 included the construction of telephone plant in Newfoundland, work on an "over the horizon" type of radio relay system and joint participation in the management contract for the Mid Canada Line.

Operation of susidiary companies for the year resulted in an aggregate net profit, of which only dividends received or receivable have been included in the consolidated statement of income.

INCOME ACCOUNT

Years Ended Dec. 31:	1954 $	1953 $
Oper rev.	219,883,685	202,348,865
Net income	89,906,799	83,560,422
Less: Deprec.	28,087,358	25,343,189
Bond. int.	8,693,619	*7,837,272
Other int.	483,718	445,679
Amor., bd. disc.	380,552	380,493
Inc. taxes	‡23,697,000	22,715,000
Add: Disc. & exp.	†10,417	9,951
Net profit	28,549,135	26,848,740
Less: Divds.	23,378,035	20,263,516
Surplus for year	5,171,100	6,585,224

*Including $1,963 in 1954 and $1,250 in 1953, discount U. S. exchange.
†Debit.
‡Including $4,886,000 being the amount of the reduction in taxes payable for the year 1954 due to depreciation being deducted in excess of that included in operating expenses.

Times Bond Interest Earned:‡		
Before deprec.	10.29	10.61
After deprec.	7.05	7.37

‡After other interest.

Earnings per Share* and Dividend Record:		
Earned	$2.44	$2.65
Paid (new)	2.00	2.00

*Based on average no. shs. o/s during year as calculated from dividends paid.

CONDENSED BALANCE SHEET

As at Dec. 31:	1954 $	1953 $
Cash	4,075,050	1,780,814
Accts. rec.	21,803,389	20,976,072
Temp. cash inv.	12,191,009	43,559,962
Inventories	14,357,870	12,854,081
Total curr. assets	52,427,318	79,170,929
Invest. secs.	30,575,253	28,028,679
Def. debits	9,093,275	8,972,570
Fixed assets	821,437,516	726,351,464
Total assets	913,533,362	842,523,642
Accts. & tax p.	26,568,427	28,465,288
Other curr. liab.	13,386,103	12,776,468
Total curr. liab.	39,954,530	41,241,756
Def. credits	15,175,404	9,089,621
Funded debt	267,584,123	231,646,427
Deprec. res.	203,206,950	183,439,651
Capital stock	293,998,725	290,425,800
Cap. stk. prem.	71,279,051	69,893,088
Cap surplus	2,450,548	2,398,559
Earned surplus	19,884,031	14,388,740
Working capital	12,472,788	37,929,173

THE BOARD OF SCHOOL TRUSTEES OF SAINT JOHN, N.B., has sold $500,000 3¼%, 3½% and 3¾% serial debentures to mature March 1, 1956, to March 1, 1975, inclusive, to a syndicate managed by A. E. Ames & Co., and including Stanbury & Co., The Royal Bank of Canada and F. J. Brennan & Co. Price paid was 98.41 being a cost basis of approximately 3.87%.

NOTICE

Anglo-Canadian Oil Company LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Anglo-Canadian Oil Company, Limited, will be held in the Palliser Hotel, Calgary, Alberta, on Friday, the 29th day of April, 1955, at 11:00 o'clock in the forenoon, for the purpose of receiving and considering the Report of the Directors of the Company, the Balance Sheet and Auditors' Report, electing Directors of the Company, approving the acts of the Directors and Officers for the past year, appointing Auditors and transacting such other business as may come before the meeting.

DATED at Calgary, Alberta, this 15th day of February, 1955.

By Order of the Board of Directors.

J. J. GRABER, Secretary.

NOTICES

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED
NOTICE TO SHAREHOLDERS

Notice is hereby given that the Ordinary General Meeting of the Shareholders of Imperial Tobacco Company of Canada, Limited, will be held at the Head Office of the Company 3810 St. Antoine Street, Montreal, Canada, on Tuesday, the 5th day of April, 1955, at ten-thirty o'clock in the forenoon.

DATED at Montreal, Canada, this 17th day of February, 1955.

By order of the Board.

H. E. JACKSON, Secretary.

NOTICE TO SHAREHOLDERS OF TRANS-PRAIRIE PIPELINES LTD.

In the near future your Directors will be sending you a progress report on the Company's operations to date. It is important that shares in street form are registered in the name of the owner without delay.

J. S. STARCK, Secretary-Treasurer.

Winnipeg, Manitoba, February 19th, 1955.

Market Comment

What stocks and bonds are doing and what prominent observers say

New York continues to climb to new levels. Railroad shares are currently featuring the U.S. market action. Although more and more investment counselors are shifting new investment money into secondary issues—those companies and industries which so far have not participated in the business and market upturn—they admit they do not see anything on the nearterm horizon that could radically change the promising business outlook.

The slow, slightly easing tendency on Canadian markets on Tuesday of this week when U.S. markets were closed in commemoration of George Washington's birthday conclusively illustrates the strongly bullish influence of New York on Canadian markets at this time.

Drill hole news from the uranium camps continues to highlight the Canadian market scene. With a record number of drills now operating a steady flow of news is promised.

* * *

M. A. MOYSEY; Hevenor & Co. (Toronto)

At the beginning of the week, both the New York and Toronto markets were continuing the upward trend that has been gaining momentum since last fall. Traditionally, markets rise through the year end, but as income tax day grows nearer, first in the U.S. and then here, followed by a growing demand for new model consumer goods in the spring, the inevitable doubt arises as to how we are going to get by a possible market cutback sometime in the next month or so.

Prices never go straight up for very long, but it would appear unlikely that we are due for anything much more than a mild decline. In the metal markets the leaders are dealing in a product—uranium—with a minimum selling price guaranteed by the Government, and even the possibility of a higher price being offered to higher cost producers. The other popular metal is copper, and its price appears to be pointed upward. Lead and zinc prices, while not so buoyant, certainly should have had sufficient shakeout over the last two years to make them competitive at present prices.

In the industrial market, we see most stocks showing a fairly low yield which at first glance might indicate trouble ahead, but in almost every instance, a good case can be made for anticipating higher earnings over the next two years. The continuing demand for heavy capital goods coming from the construction of such major projects as the St. Lawrence Seaway and the Trans-Canada Pipe Line, should see to this.

One dark cloud on the horizon is the increasing foreign competition in electronic consumer goods which is causing considerable concern, but the industry is quite pliable and will doubtless adjust itself to the situation.

Finally one must not forget that we live under the constant threat of war—a situation that has always led to increased industrial activity in the past, and it seems reasonable to expect that the same pattern will be followed once again.

* * *

GREENSHIELDS & CO. (Montreal)

In line with the excitement in recent weeks over the Formosa incident and over the government reshuffle in the Soviet Union there was increased activity in security and commodity markets.

While there is general confidence that the Far Eastern conflict will not be allowed to widen there is little hope of any easing of the international tension, and the feeling is that defense expenditures in the U.S. are bound to increase rather than decline.

The action of the base metals, aircraft and other stocks related to defense has reflected this feeling in the past two weeks and the market has also been stimulated, both in Canada and in the U. S. by some good earnings reports and by other favorable corporate developments, such as dividend increases and stock splits.

In the base metals, copper stocks were especially firm following the advance in price for this metal. In 1954, more than 40,000 tons of government-owned copper had to be released in the U.S. to compensate for the loss in domestic supply resulting from labor conflicts, while this year a strike in Northern Rhodesia has cost over 35,000 tons of output.

For months the big copper producers in the U.S. kept the price down to the 30c-a-lb. level while the world price for copper was steadily climbing. This further aggravated the shortage and resulted in grey markets in the U.S. Finally, with copper on the London market touching the equivalent of 45c per lb., the highest point ever reached, the upward pressure could no longer be resisted and the price for the metal in the U.S. and Canada was advanced by 3c a lb.

Canadian producers are benefiting from a higher price for their exports overseas, but this advantage would appear to be only of a temporary nature since the London price does not appear realistic in view of the expected longterm increase in copper supplies.

* * *

A. M. KIDDER & CO. (New York)

We believe that only minor and selective consideration should be given to the Russian situation in investment procedure, as our new policy has already taken into account Communist action short of total war, and total war appears highly improbable.

* * *

BARRON'S; The Trader (New York)

Five months of business improvement, which have just led to such legitimate expansionary financing as $325 million equity money for General Motors, $250 millon debt for its Acceptance subsidiary and $650 million bonds for American Telephone are not the sort of developments calling for drastic, restrictive credit action.

New Highs and Lows

During the week ended Feb. 19, 68 new highs and two new lows were recorded among the general stocks in Canadian stock exchanges. In the mining group there were 37 new highs and nine new lows. In Western oils there were 12 new highs and one new low.

GENERAL

New Highs—1954-55

Aluminium	Gypsum
Anglo Can. Tel. pf.	Hillcrest Coll.
Anglo Nfld.	Howard Smith
Anthes Imp.	Hubbard Felt A
Bank Can. Nat.	Imperial Life
Bk. of Nova Scotia	Ind. Acceptance
B. C. Forest	John Inglis
B. C. Power	Int. Nickel
Burns A	Int. Util. pfd.
Can. Cement	Inv. Foundation
Do. pf.	Lake of Woods
Can. Iron	Lower St. Law. Pwr.
Can. Perm. Mort.	MacLaren Power
Can. Steamship	MacMil. & Blo. B
Cdn. Bk. of Com.	Maple Leaf Milling
Cdn. Dredge	McColl-Fron. pfd.
Cdn. Food	Milton Brick
Cdn. Ice Mach.	Minn. & Ont. Paper
Cdn. Loco	Mitchell, Robt.
Cdn. Vickers	Nfld. Light
Chart. Trusts	North Star Oil
Chatco Steel	Power Corp.
Comb. Ent. Ltd.	Quebec Tel.
Conf. Life	Royal Bank
Cons. Smelt.	Southam
Dom. Fndries	St. Paving
Electrolux	Supertest com.
Federal Fire	Traders Finance B
Federal Grain	Victoria & Grey
For. Pr. Secs.	Walker, Hiram
Foundation Co.	Waterous Eqpt. 6% pfd.
Gatineau Pwr. 5% pfd.	Westminster P. A
Gen. Dynamics	Do. B
Gt. North Gas	
Gt. West Life	

New Lows—1954-55

Gen. Steel Wares	Gt. West Saddlery

MINING

New Highs—1954-55

Algom	Int. Nickel
Base Metals	Do. pfd.
Bunker Hill	Kayrand
Campbell Chib	Lake Dufault
Can-Met Explor.	Lencourt
Cons. Denison	Martin McNeely
Cons. Howey	Merrill Isle.
Cons. Nicholson	New Laguerre
Cons. Smelters	Noranda
Conwest	Norgold
Cusco	Opemiska
Decoursey-Brewis	Pickle Crow.
D'Aragon	Placer Dev.
Falcon Bridge	Preston East Dome
Fontana	Pronto Ur.
Gaspe Copper	Do. warr.
Grandview	Thompson
Hoyle	Ventures
	Vicour.

New Lows—1954-55

Delnite	Quatsino
Eastern Smelt.	Red Crest
Kerr Addison	Rexspar
Mentor Explor. N.	Sunshine
New Vinray	

OILS

New Highs—1954-55

Basco	Gt. Plains Dev.
Calgary & Edmon.	Gridoil
Cdn. Anaconda	Husky
Central Explor.	Trend Pet.
Century	United Oils
Gas Explor.	Vulcan

New Lows—1954-55

So. West Pet.

U. S. Newsprint Demand In Upswing, Outlook Strong

MONTREAL (Staff) — Consumption of newsprint in the United States — Canada's biggest market—has started 1955 with a big jump.

January consumption was a sharp 5.6% higher than a year earlier. Part of this was due to improved business conditions, but observers see two other important points in the gain.

One is that the shift to narrower column widths among U. S. newspapers now seems to be pretty well completed. This cut into newsprint consumption, since it means a slightly lower amount of paper needed per page printed.

No figures are available on the tonnage of newsprint saved by adopting the narrower columns. Maximum saving per page is about 3%, but in practice it would probably be somewhat less than that. If the shift has now been largely completed, it means that this is no longer a factor in holding back growth in U. S. newsprint consumption. U. S. consumption last year barely exceeded 1953 despite increases in circulation . . . and in average size of issue in the case of the Sunday papers.

Second point is TV. For the past five or six years, television has been getting a steadily larger slice of the total advertising pie. Radio has been hardest hit (U.S. network radio advertising last year was down almost 26% from 1949), but magazines and newspapers have also felt the hot breath of the lusty newcomer.

Recently, however, observers report, there have been some indications that TV advertising growth may be slowing down a bit. If so, it could mean that newspapers are getting a bigger share of the increase in total ad budgets.

Climb Should Continue

That January consumption in the U. S. was higher than a year earlier did not mean an increase in Canadian shipments. But if consumption continues to climb—and current indications point that way—then it should.

U. S. publishers have now trimmed their newsprint inventories back to the lowest level in four years — back almost to prewar levels. This eating into stocks continued in January, and at the month-end there were only an estimated 41 days' supply on hand. That compares with 46 a year earlier, and 51 in January, 1953. Sources here do not think supply will be allowed to sink much lower; thus higher consumption will have to be met with bigger purchases.

Total Canadian shipments to the U. S. in January amounted to 384,499 tons, down 1.3% from a year ago. Shipments to Canadian publishers also dropped—by 2.0%—but the fast-swelling overseas market took 65.6% more, with Britain, Continental Europe and the Balkans, Australia and New Zealand, and South America all recording sharp gains. The total to all markets reached 466,253 tons, up 3%.

Starting in January, Canadian production ratios are calculated in terms of new figures for rated capacity. For 1955, rated capacity is calculated by the Newsprint Association of Canada at 6,064,489 tons, an increase of 144,000 tons over 1954.

January production of 490,822 tons was up 3.1% from a year earlier, and was equal to 99.8% of the new rated capacity.

Larger Capital Works Ahead for N.B. Telephone

MONTREAL (Staff) — Steadily larger work programs over the next several years were forecast for New Brunswick Telephone Co. at the annual meeting.

President G. M. McKeil told shareholders that three major projects must be started in the near future. These include:

—Construction of a microwave radio relay system from Saint John to the Quebec border near Edmundston. This will augment the present open wire system, which has about reached the limit of its capacity, and connect with a similar system to be built by Bell Telephone Co. of Canada.

—Provide facilities to meet the communication needs of Camp Gagetown and associated townsite.

—Provide facilities needed in company territory to co-ordinate with the continental toll dial plans. Initially, this will enable the operator to dial a telephone anywhere in North America; ultimately, the customer will be able to do it.

N. B. telephone spent $3,820,948 on new construction in 1954, with a total of $3,239,392 being added to fixed capital accounts.

McCabe Grain Company Limited
WINNIPEG, CANADA
LONDON, ENGLAND VANCOUVER

NORRIS GRAIN COMPANY LIMITED
Grain Merchants, Shippers and Exporters
709 Grain Exchange, Winnipeg
NEW YORK CHICAGO KANSAS CITY TOLEDO ST. LOUIS
BALTIMORE MINNEAPOLIS DULUTH LONDON LIVERPOOL

K. A. POWELL (CANADA) LTD.
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd. and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Affiliated Companies—Fort William, Ont., Montreal, Que., Vancouver, B.C.

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

N. M. PATERSON & SONS LIMITED
Grain Division
Grain & Coal Merchant
Steamship Division
Carriers of All Bulk Cargoes
Fort William, Ont. Winnipeg, Man Montreal, P.Q.

Grain Prices

Chicago Futures
Week to Feb. 21, 1955

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close Feb. 21
		Wheat—			
2.34½	2.09½	Mar.	2.25	2.19¾	2.20½
2.30½	2.07	May	2.22¾	2.16½	2.16½
2.18¾	1.97½	July	2.11¾	2.04½	2.04¾
2.29½	2.06	Sept.	2.14	2.06	2.06½
2.21½	2.10	Dec.	2.17	2.10	2.10
		Corn—			
1.63½	1.48¾	Mar.	1.52½	1.48¾	1.48¾
1.65½	1.51½	May	1.54¾	1.51½	1.51½
1.66½	1.53¾	July	1.56¾	1.53¾	1.58¾
1.61	1.50½	Sept.	1.53¾	1.50½	1.50½
1.49½	1.42¾	Dec.	1.45½	1.42¾	1.42¾
		Oats—			
.85¾	.74½	Mar.	.77¾	.75¾	.75¾
.85	.72¾	May	.75	.73½	.73½
.77¾	.68¾	July	.71½	.69½	.69½
.72½	.70	Sept.	.71½	.70	.70½
		Rye—			
1.55½	1.10¾	Mar.	1.17¾	1.10¾	1.10¾
1.55½	1.13½	May	1.21	1.13½	1.13¾
1.46	1.15½	July	1.23½	1.15½	1.15½
1.30	1.16	Sept.	1.23½	1.16	1.16
		Soybeans—			
		Mar.	2.79	2.75	2.75½
		May	2.75	2.71½	2.71¾
		July	2.71½	2.68	2.68½
		Sept.	2.57¾	2.55	2.55
		Nov.	2.50¾	2.47¾	2.48

Chicago Cash

	For Week Feb. 21 High	Low	Prev. week High	Low
Corn—				
2 Yell. (new)	1.54¾	1.51½	1.54	1.51½
Oats—				
1 H. Wh.	.84	.84	.83¾	.83½

Winnipeg Futures
Week to Feb. 21, 1955

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close Feb. 21
		Oats—			
.86½	.69½	May	.84¾	.83¼	.83½
.83¾	.77	July	.81½	.78¾	.79½
.79	.74½	Oct.	.76¾	.75¾	.76
		Barley—			
1.25¾	.95½	May	1.23¾	1.19½	1.19½
1.17¾	1.03¾	July	1.14½	1.11¾	1.11¾
1.12¾	1.05	Oct.	1.09	1.05¾	1.05¾
		Rye—			
1.45½	1.06¾	May	1.20	1.14¾	1.15
1.40	1.12¾	July	1.19½	1.13¾	1.14½
1.23½	1.16½	Oct.	1.19	1.14½	1.14½
		Flax—			
3.30½	2.56½	May	3.30½	3.13½	3.25¾
3.25¾	2.56¾	July	3.25¾	3.09½	3.22½
3.07	2.84	Oct.	3.07	2.96½	3.05

Winnipeg Cash

	For Week Feb. 21 High	Low	Prev. week High	Low
Oats—				
2 C. W.	.96½	.93	.95¾	.94¾
3 C. W.	.87¾	.85½	.86¾	.86½
Barley—				
1 Feed	1.21¾	1.18¾	1.22¾	1.20
2 Feed	1.20½	1.17¾	1.21¾	1.18½
1 Malt	1.32¾	1.29½	1.32¾	1.31
Rye—				
2 C. W.	1.16¾	1.12½	1.19½	1.14¾
1 C. W.	1.16¾	1.12½	1.19½	1.14¾

ANNOUNCEMENT

Little Long Lac Appointment

G. M. ACKERLEY

The directors of Little Long Lac Gold Mines Ltd. announce the appointment of G. M. Ackerley as executive assistant to the general manager. Mr. Ackerley recently resigned as mining editor of the Telegram, Toronto, to assume his new post.

Quebec Copper Gets Fine Ore In Shaft; Debt Cut As Share Options Exercised

Fine indications of the extension of good grade copper ore to depth have been secured by Quebec Copper Corp. in shaft sinking. This Southeast Quebec producer has been making a fast job of liquidating indebtedness incurred in reaching production.

Both Sullivan Consolidated and East Sullivan have now exercised their options on balance of the company's six million-share capital and proceeds have been used to reduce funded indebtedness by $450,000 to $550,000.

As the company had approximately $875,000 of current assets at the end of 1954 (and $370,488 current liabilities), balance of indebtedness is expected to be retired in relatively short order with operating profits at the rate of $100,000 a month currently.

There was an operating profit of $805,727 in the initial period of production from Feb. 10 to Dec. 31, 1954, with a net profit of $614,119 after writing off $168,608 depreciation.

Most of the shaft sinking from the 1,000-ft. level to present depth of 1,310 ft. has been in ore grading about 1.6% copper per ton which is about mine average.

A series of grout holes, put down in advance of sinking, all showed ore down to a depth of 1,460 ft. Ore indicated by this drilling is about similar to that found in the shaft.

Preliminary drilling from the 1,100-ft. horizon returned favorable drilling results. Drill hole No. 1111 returned copper values over 125 ft. of core with individual sections running as high as 3.49% copper.

New Ore Bodies

The deepest hold drilled gave an intersection of 2.32% copper over 65 ft. at a depth of 1,550 ft., representing a true width of about 25 or 30 ft. on the steep angle at which the hole was drilled.

The original ore lens on which production plans were based apparently bottomed about the 1,000-ft. horizon but, from drilling and other information, it is apparently being replaced by two other copper ore bodies. The management is hopeful that the ore picture below the 1,000-ft. level may be even brighter than above.

Sullivan Consolidated and East Sullivan hold in excess of 50% of the six million shares authorized and outstanding capital of Quebec Copper.

Quebec Copper directors have so far made no statements as to when dividends might be initiated. But, as current earnings will retire the remaining $550,000 indebtedness in about six months' time, there would appear to be a good chance of some dividend distribution by the end of the current year.

Fano to Drill Soon $100,000 On Hand

With over $100,000 placed in its treasury, Fano Mines has let a contract for diamond drilling of its 19-claim property in Twp. 161 in the Matinenda-Moon Lake sector.

It is anticipated that drilling will be under way in about three weeks.

Lake Cinch Plans Shaft This Year

Sinking of a shaft on the Beaverlodge (uranium) property of Lake Cinch Mines is planned this summer, President V. R. MacMillan of ViolaMac Mines reports in the latter's 1954 annual report. ViolaMac controls Lake Cinch and owns 1,425,619 of its shares.

Current drilling is reported to be adding to previously indicated ore tonnages. Earlier there were estimated to be 56,900 tons of ore averaging 0.283% U_3O_8 or $41 gross per ton. Mrs. MacMillan states that underground work seems to have "excellent chances of improving both tonnage and grade as development proceeds."

Deer Horn Report 55-ft. Ore Length

A length of 55 ft. averaging 0.591 oz. gold and 26.94 oz. silver has been opened up by drifting at the property of Deer Horn Mines in the Kitimat area of B. C.

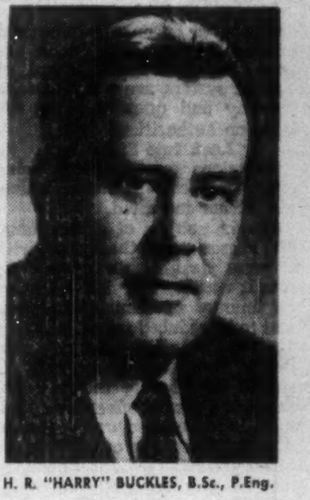
Composite value i $41.05 a ton taking gold at $33 and silver at 80c an ounce.

Reporting on the new ore development W. Tattrie, mine manager, advised "an 8-in. quartz vein entered the west drift from the south wall and continued for 55 ft. angling slowly across the drift. Part of this ore length assayed 1.0 oz. gold and 40 oz. silver equivalent to $64.00 per ton."

The west drift has been advanced a total of 278 ft. along the "contact vein" to date. Recent advance has been in the aplite or alteration zone, following several parallel faults along which vein, quartz and sulphide mineralization are localized.

ANNOUNCEMENT

TECHNICAL MINE CONSULTANTS LIMITED APPOINTMENTS



H. R. "HARRY" BUCKLES, B.Sc., P.Eng.

Mr. Buckles was formerly Special Projects Engineer of Technical Mine Consultants Limited and has now been appointed Chief Engineer, Toronto office staff. He will assume the duties of Larry Labow, now of Pardee Amalgamated Mines Limited. Harry Buckles played an important role in Technical Mine Consultants' important Algoma district staking program of 1953.

DONALD H. JAMES, M.Sc.

Mr. James has now joined Technical Mine Consultants Limited as Chief Geologist, Toronto office staff. He comes to this Company with mining experience in both western and eastern Canada, particularly in the industrial minerals field.

GEORGE SANDER, Ph.D.

Mr. Sander has joined Technical Mine Consultants Limited as geophysicist. He brings to Technical Mine Consultants Limited wide experience in several branches of petroleum and mineral geophysical techniques.

MINING INVESTMENTS

Golds, Base Metals, Benefit As Canadian Dollar Drops

To the gold mining and base metal mining industries, the recent decline in the Canadian dollar is good news.

If the dollar is to continue to sell at a lower level — and lowering of the Bank of Canada rate to 1½% recently is taken as supporting this — then the position of these industries could take on a considerably rosier hue.

A 1½% drop in the level of the dollar from the December average means an extra 52c an ounce for gold on basis of the $35 U. S. price or about an extra $2.2 millions a year on Canada's annual gold production. This would be equivalent to about 40% of the gold mining industry's loss of cost-aid in 1955. But only part of the extra revenue, of course, accrues to gold mining due to by-product gold output from base metal mining.

For base metal mines, the lower price for the dollar is more of an unmixed blessing. The lower Canadian dollar serves to increase the price of copper (already relatively high) and to improve prices of lead and zinc to a more satisfactory level. It will likely mean an improvement in profits for Consolidated Smelters — and in an improvement in profit perspective for Brunswick Mining & Smelting with its large ore bodies under development in the Bathurst area.

For nickel producers, the improvement is not quite so clear cut. Much of Canada's nickel output is sold in terms of U. S. dollars. The change in exchange rate might prompt an increase in the price of nickel later. In the meantime, most of Canada's copper output is derived as a by-product of nickel mining and the nickel mining industry can look forward to extra money for its "red metal."

Nickel mining will also receive more for its output of platinum metals.

There appear no particular "niggers in the woodpile" to a lower dollar as far as the gold and base metal mining industries are concerned. There is little dependence on imports from the U. S. and U. K. These will now be more expensive. It is usually large capital items rather than operating supplies which are imported.

Uranium mining appears to be little affected by the change. There will be no change in the price to be received for uranium. A higher price for sulphur used in leaching can be expected but it is believed that in at least some uranium contracts there is a provision for extra payments to offset higher costs. Gunnar has purchased its sulphur in advance.

* * *

Bulge In Uraniums

Recent weeks have witnessed a spectacular increase in market value of Canada's two most important uranium issues — Algom Uranium and Gunnar Mines.

The upsurge in Algom shares by about $7 a share to close to $20 a share appears to stem directly from (a) completion of $41 million of financing with Rio Tinto and Belgian interests, and (b) growing appreciation of production and earnings possibilities in the United States and Europe as well as Canada.

In the case of Gunnar Mines, the uptrend appears to have been caused by two reasons as well: (a) realization that earnings potential is somewhat greater than earlier estimates (The Post, Feb. 5, 1955), and (b) buying of the stock in anticipation of production being reached possibly this summer instead of September.

There has now been some speculation that with senior uranium issues being pushed up to such levels, a new boom might be generated in other issues which have disclosed uranium but which have not experienced anything like a comparable mark-up.

Blue Cerium Gets Stratmat Deal — Find Many Zones

An active program of diamond drilling, using two drills, is now proceeding on the property of Blue Rock Cerium Mines under the direction of Stratmat Ltd. of Montreal which has made a substantial investment in the company and has assumed operating control.

Blue Rock adjoins Rare Earth Mining Corp. and is located about four miles from Tory Hill in the Tory Hill-Bancroft area of Southeastern Ontario.

Extensive exploration has already been carried out on the Blue Rock property. A Scintillometer survey showed 25 radioactive anomalies with counts running up to over five times background.

There is stated to be a combined length of over 35,000 ft. of radioactive zones.

A bulk sample from A-1 zone ran 0.38% U_3O_8 or $55.10 a ton at the $7.25 a lb. price for uranium oxide and 9.45% thorium. Several channel samples on this zone were stated to average 0.33% U_3O_8 or $47.85 over 5 ft.

For C-2 zone, there is claimed to be an 800-ft. length averaging 0.127% U_3O_8 or $18.40 per ton over an average width of 15.5 ft.

Nineteen drill holes are stated to have been completed with radioactive intersections running up to 0.24% U_3O_8 over mining widths. Detailed results of drilling are expected to be announced shortly.

Jonsmith Drill Still In Ore On New Dominion Property

With drilling continuing with three drills on its New Dominion property, Jonsmith Mines has had a considerable number of further nickel-copper intersections in gridding its east area at 50-ft. centres. It has a deep hole going down on the west zone which appears to be coming into mineralization at 550 ft.

No. 106 hole in the east section gave a 12.6-ft. section averaging 2.26% combined nickel-copper (1.60% nickel) starting at a depth of 212 ft.

No. 110 hole gave a 17.6-ft. section averaging 1,70% combined metals starting at 175 ft.

No. 111 hole gave a 21.5-ft. section starting at 91 ft. averaging 1.43% nickel and 0.56% copper or alternatively 11 ft. starting at 91 ft. averaging 1.81% nickel and 0.69% copper.

No. 112 hole gave 8.6 ft. averaging 1.52% combined nickel-copper, 6.7 ft. averaging 1.37% combined and 7.1 ft. averaging 1.64% combined.

No. 113 has been drilled returning mineralized sections for which assays are awaited.

This east zone appears to have a true width of 20 ft. to 25 ft., it is stated, dips 53 deg. to the south and strikes north 75 deg. west. Now that the attitude of the occurrence is known, it is planned to space drilling out at 100 rather than 50-ft. centres.

In the west area, the ore zone is stated to show a true width of 60 ft., with a dip of 64 deg. to the south. It strikes at 75 deg. to the west. Depth drilling now in progress could have an important bearing on the possibilities of this deposit which has been described as a Levack type.

There are five untested anomalies between west and east ore areas. At the original Jonsmith property, where three drills are working, a geological study of the fault pattern has led to a test being recommended for a hitherto untested area to the north of the ore area, previously mined and below the 400-ft. horizon. Two drills are to be put on this exploration project.

For the information of unregistered shareholders

OKA RARE METALS MINING COMPANY

LIMITED

Oka Rare Metals is exploring and developing large, strategically located properties at Oka, Quebec, 20 air miles west of Montreal, where recent exploration, aided by scientific prospecting methods, has indicated mineral deposits of great potential size and value and known to contain such metals as Columbium, Uranium, Thorium and Rare Earths.

Assays from a trench 30 feet by 40 feet returned the following assays:

	Sample #1	Sample #2
Columbium	0.31%	0.62%
Uranium and Thorium combined	0.08%	0.20%

The ore exposed in this trench was intersected in two diamond drill holes at depths of 100 feet and 200 feet, the Columbium values running from 0.21% to 0.75% over widths up to 11 feet, with mineralization up to 40 feet.

The total combined Columbium and Uranium values, not including other metals, on the samples taken range from $32.00 to $120.00 per ton.

DIRECTORS AND OFFICERS

C. Glenn Hunter, President, Toronto, Ont.
W. Ralph Salter, Q.C., Vice-President, Toronto, Ont.
B. Nixon Apple, Secretary, Toronto, Ont.
Basil Filardi, Jr., White Plains, N.Y.
R. L. Ehrman, Vice-President, Butler, Pa.
A. F. Reetz, Treasurer, Millvale, Pa.
C. T. Brelos, Pittsburgh, Pa.
Roger S. Phillips, South Norwalk, Conn.
John D. Reilly, Toronto, Ont.

CAPITALIZATION

Authorized (shares of $1 each)	—	5,000,000 shares
Issued (810,000 shares held in escrow)	—	1,543,910 shares
Remaining in treasury	—	3,456,090 shares

The company has ample capital to carry out the next stage in its development programme, having approximately $165,000 net cash in the treasury.

OKA RARE METALS MINING COMPANY LIMITED

HEAD OFFICE: ROOM 601, 112 YONGE ST., TORONTO, CANADA

BLUE ROCK CERIUM MINES LIMITED

The 1100 acre property of Blue Rock Cerium Mines Limited shown above is ideally located geologically with reference to the other important uranium properties under development in the area.

A careful ground scintillometer survey has indicated no less than 25 anomalies with radioactivity as high as 44 times normal background count with 11 separate anomalies averaging 20 times background, a total of which gives a combined length of over 3500 linear feet of radioactive material.

Numerous grab samples from the A-1 zone by chemical analysis ranged from .35 percent U3O8 ($50.75 per ton) to 2.85 percent U3O8 ($413.25 per ton) while a bulk sample assayed .38 percent U3O8 ($55.10 per ton). On the C-2 zone a 13 ft. channel assay averaged .25 percent U3O8 or ($36.25 per ton) and the A-1 zone across several intervals 5 ft. wide ran .33 percent U3O8 or ($47.85 per ton). Computing ThO2 at $5.00 per pound, numerous grab samples from the A-1 zone ran from 2.76 percent ThO2 ($276.00 per ton) to 12.58% ThO2 ($1258.00 per ton).

Nineteen drill holes have been completed to date with intersection grades running from indicative radioactivity to as high as .25 percent U3O8 ($34.80 per ton) across good mining widths, and at present two drills are engaged in a major drilling program on the C-1 and C-2 zones.

Control in Blue Rock Cerium Mines has been recently acquired by Stratmat Ltd. of Montreal, Que., who are also financing this major program. Stratmat Ltd. have underwritten 200,000 shares at 50 cents per share and are purchasing 200,000 shares at $1.00 per share for investment and Stratmat Ltd. also has option on 200,000 shares at $1.25 per share dated March 1, 1955.

BLUE ROCK CERIUM MINES LIMITED

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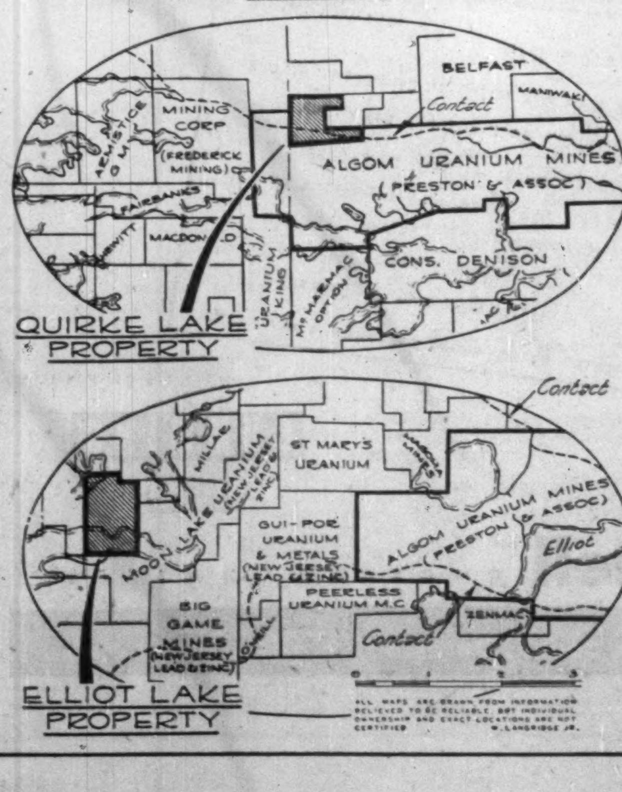
To Unregistered Shareholders for Informational Purposes Only

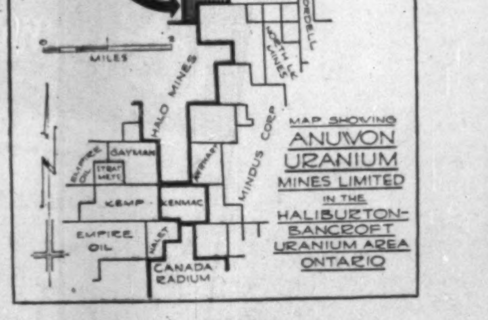
MAPS SHOWING LOCATION

ANUWON URANIUM MINES LIMITED

in the

ALGOM-BLIND RIVER AND BANCROFT URANIUM AREAS ONTARIO





NOW DIAMOND DRILLING

IN THE BLIND RIVER AND BANCROFT-WILBERFORCE URANIUM AREAS

Drilling is now underway at the Blind River-Moon Lake property adjoining New Jersey Zinc interests. **An additional drill is being rushed to the property adjoining Algom-Quirke Lake Mines.**

The location of this property, which appears on geological map to be astride the north contact of the favourable "ore-making basin," offers very intriguing possibilities.

A detailed sampling program consisting of over 60 vertical holes drilled on a grid pattern is nearing the initial phase of completion on the Bancroft-Wilberforce property. Strong radioactive sections have been intersected in the holes so far completed and the engineers are now surveying and correlating the results into a composite report for the shareholders.

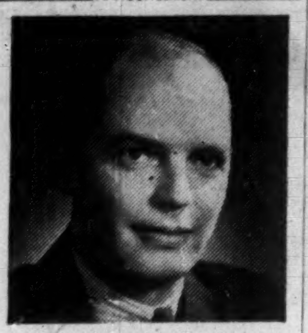
Anuwon's interest in the above properties has been acquired under option agreements.

ANUWON URANIUM MINES

LIMITED

Suite 1024, 85 Richmond St. W., Toronto, Ontario

ANNOUNCEMENT



J. A. ROSS, C.A.

J. A. Ross, C.A., has returned to his position as Controller of Shell Oil Company of Canada, Limited. Appointed Controller in 1945, Mr. Ross has spent the last two years in the United Kingdom and the United States on special assignments for Shell. He resumes his post at the Canadian Company's head office in Toronto.

'Springs of Incentive' May Dry Up If Taxes Hit Too Hard—Metal Mine Head

A potential threat to the "springs of incentive on which the present and future growth of the mining industry depend" was seen in a "sharply intensified search for tax revenues" by President Horace J. Fraser of the Canadian Metal Mining Association. He was addressing the Association's annual meeting.

It was stated to be a period when vigilance is required if the well-being of the mining industry is to be maintained intact.

This situation was reviewed by Mr. Fraser, in part, in the following terms:

"Curtailment in the amount of cost-aid for the gold mines is by no means the only evidence which we have received that there are a number of changes taking place as a result of the less satisfactory condition of the federal budget. The search for tax revenue is being sharply intensified.

H. J. FRASER

"One method of increasing tax revenue without legislative change is to limit more strictly by administrative practice what were previously regarded as capital gains, as tax-free income or as deductible operating expenditures.

"This tendency is already very evident, for example, in the treatment of profits derived from prospecting and from participating in the early stages of mine financing; it is evident from certain interpretations of what constitutes allowable exploration expenditures; and it is known that some aspects at least of the special legislation designed to encourage mine and mineral development, which has been one of the finest features of our tax system, are coming under scrutiny and question from the taxation authorities."

Look Into Situation

Questions posed were being given very careful consideration, Mr. Fraser indicated.

On the subject of gold mining, Mr. Fraser stated that it was with a great deal of disappointment that it was learned that the overall amount of annual assistance was to be reduced from a previous $16.5 millions to under $11 millions. "But this disappointment should not obscure the fact that the terms now in effect would not have been realized unless the industry had spoken out in positive terms and had received the wholehearted and vigorous support of the Minister of Mines and officials of his Department," he said.

Mr. Fraser, in analyzing the changed form of cost-aid, comments:

"When the terms of the bill are analyzed, the principal objectives of government policy in this connection become apparent, namely, to reduce the total amount of assistance; to let the brunt fall on the lower cost mines; to avoid aggravating an already difficult employment situation by not imposing an intolerable strain on the highest-cost producers,

"It is difficult to quarrel in principle with any attempt on the part of the federal government to economize, even though we may feel that in this case it may prove false economy and is aimed at the wrong target. And we certainly appreciate the importance, as a social and political objective, of maintaining payrolls and dependent communities. Time alone will tell whether the act in its revised form will succeed in accomplishing these objectives. In the meantime, while we appreciate that the industry has been given a further breathing spell for two years, its difficulties are undoubtedly increased, and no long-term solution appears in prospect.

"To many of us a most disturbing feature of the situation is the absence of any suggestion from any official quarter that gold as a monetary metal of universal exchangeability plays, and must play, a vital part in the backing of currencies and in expediting the flow of international trade."

Que. Nickel Wins Claims Stakers Receive $6,000

A dispute over a block of 18 claims in the middle of the property of Quebec Nickel Corp. has been settled by a judgment of Judge T. E. Godson in the Ontario Mining Court. Quebec Nickel gets the claims. The restakers get $6,000 from Quebec Nickel Corp.

The decision lifts a cloud of uncertainty as far as Quebec Nickel is concerned and officials express satisfaction at the outcome of the litigation. The company has work well out under the lake, advance is being made at the rate of 90 ft. a week, and the area of "B" ore body is being approached.

Didn't Seek Patents

Three experienced prospectors, John Venus, Roger Longe and Gordon Watts had restaked the 18 Quebec Nickel claims when the company had failed to apply and pay for patents even though Quebec Nickel claimed to have spent some $500,000 on its properties.

While noting that the stakers had the legal right to do what they did, Judge Godson declared that he was convinced it was his equitable duty to relieve against forfeiture and restore the 18 claims to Quebec Nickel on the terms which he fixed.

It was noted that Quebec Nickel has a large number of shareholders who had purchased shares on faith in the intrinsic value of the claims. Four of the claims restaked were immediately east of the shaft with the most westerly claim just one claim removed from the shaft. Over 6,000 ft. of diamond drilling had been done on these four claims.

"To allow the respondents to hold the group of four claims together with its other 14 claims, which are immediately south and east, would not be in interests of mining," Judge Godson decided.

It was pointed out that it has been the policy of the court to relieve against forfeiture caused by inadvertence if the applicant has proved it was his desire to hold the claims and obtain patent.

A pertinent fact was that the restakers were not "pathfinders," Judge Godson found. "Their intrusion became possible by the ineptitude of the company which has been referred to," it was pointed out. "These seasoned prospectors who restaked the ground in question, seized the opportunity of staking open ground of the company, which at the time of the staking had done considerable work and which was and is in process of developing possible commercial mineral value. If the claims were not restored to the company, the restakers would be profiting by the researches of others. The restaking has brought out the fact that holders of mining claims should know the requirements of the Act in order to maintain title. The company should not be neglectful of their duty to their shareholders. They are trustees."

In addition to the $6,000 payment to the three prospectors, the court ordered Quebec Nickel to pay $200 for restaking costs and $100 for the prospectors' legal expenses.

Conecho & Panel Drill Joint Hole

A joint hole is being drilled by Conecho Mines and Panel Consolidated Uranium on the two companies' common boundary. The conglomerate horizon is expected at a depth of approximately 800 ft.

This will represent the first hole in the new drilling program of Conecho Mines.

The Conecho property is adjoined on both east and west by holdings of Panel Consolidated with the present hole going down on the joint boundary with the Panel east group.

$40 Over 7.5 ft. In Northland's Hole

Most recent drill hole at the Marian River property of Consolidated Northland Mines has returned a 7.5-ft. intersection averaging 0.278% U_3O_8 or $40.30 a ton. These values occurred in the quartz stockwork at a depth of 172 ft.

It had been intended to push this hole into the argillites which had given better values in previous holes than had the stockwork. However, while drilling at 227 ft. the hole caved in the strongly faulted zone and was abandoned without entering the argillites.

From the same setup a further hole is now drilling at a flatter angle to penetrate the argillites as well as to check the above values in the stockwork which may be the downward extension of the high grade surface showings and of an intersection of 0.232% U_3O_8 ($33.60) for a length of 7 ft. 10 in. in a previously drilled shallow drill hole. This would serve to outline a separate zone in addition to the one disclosed in the argillites by deep drilling.

Cut Radioactivity At New Marlon

Radioactivity is stated to have been intersected in the first drill hole put down by New Marlon Gold Mines on its uranium property lying along the Black Bay fault in the Beaverlodge area.

The hole is now drilling at 700 ft. but will be stopped and the drill moved to No. 2 hole which has been spotted about 600 ft. to the south of the No. 1 hole.

Samples of the radioactive core are now being assayed.

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2. Locality map of: Beaverlodge — Blind River — Marian River (check name of mining camp).
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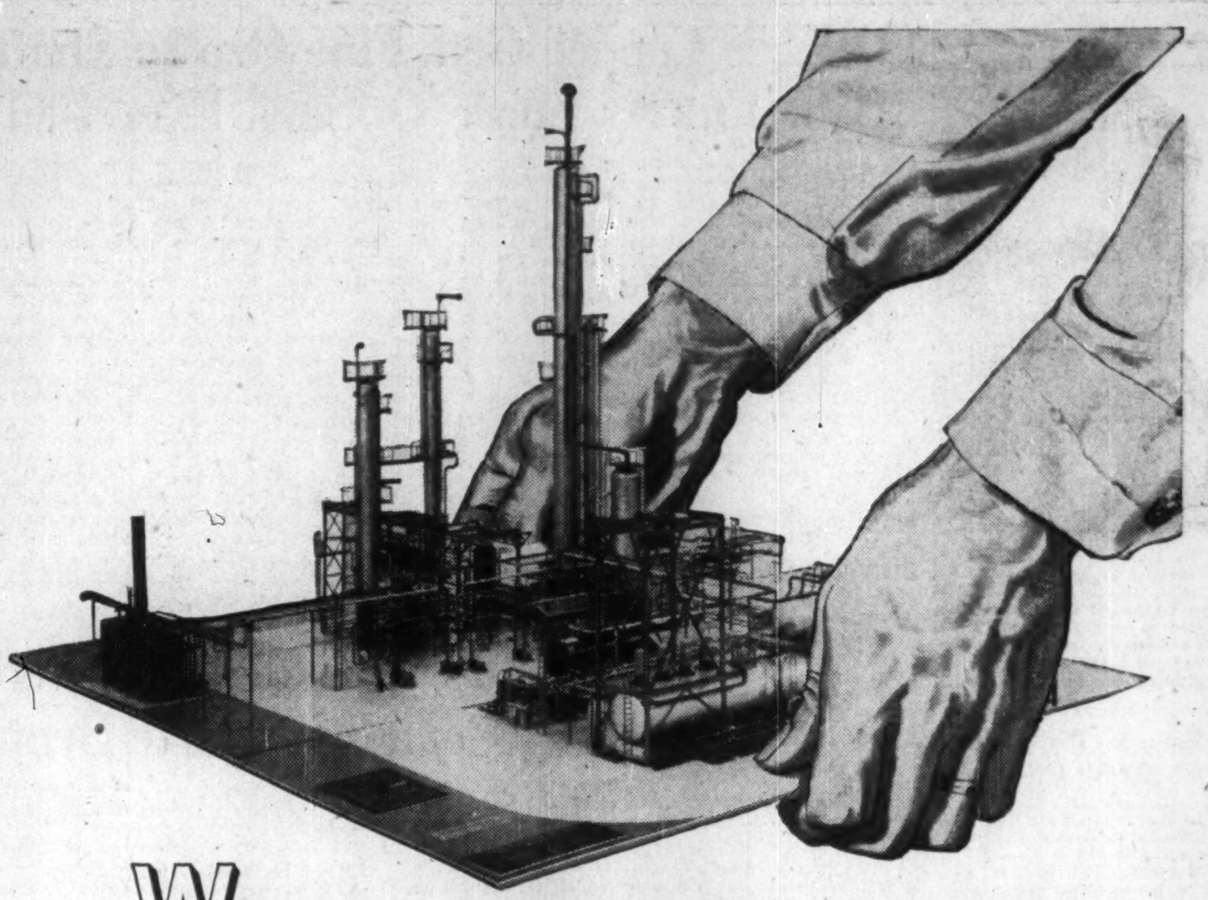

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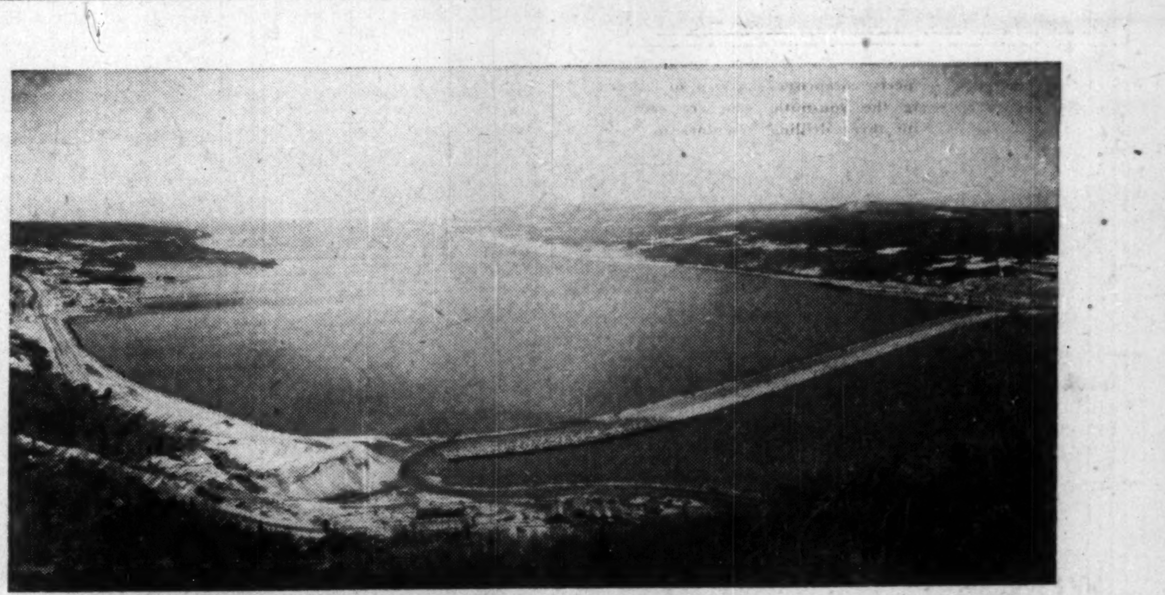

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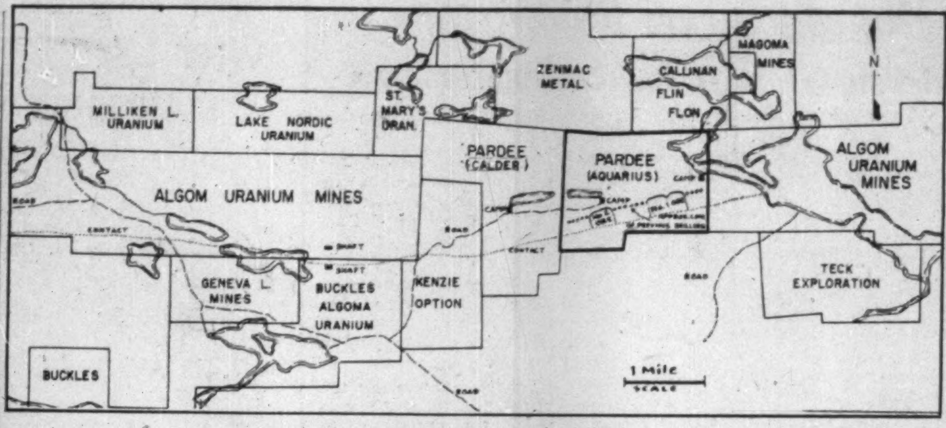
ANNOUNCEMENT

W. H. WHITE

Mr. F. G. Chance, president of A. B. Chance Company, Centralia, Mo., announces the formation of a Canadian company, A. B. Chance Company of Canada Ltd., Toronto, and the appointment of W. H. "Bill" White as Vice President. Mr. White was formerly a naval officer, is an Associate Member of AIEE and prior to joining Chance was Manager of Sales Promotion for Canadian Line Materials Ltd.

The Chance organization is a pioneer manufacturer of patent anchors for guying power and communication lines, hot line maintenance tools and other transmission and distribution line equipment for the utility field. The Canadian Head Office will be located at 1206 Kingston Rd., Toronto 13. Mr. F. G. Chance will be president of both the United States and Canadian companies.



More Drills Working In Algom Nordic Area

Next to the down-dip extension of the Algom Quirke deposit, chief Algoma (Blind River) uranium interest — and drilling activity — is centred in the region of the Nordic Lake occurrence of Algom Uranium Mines.

Average grade at Nordic Lake was somewhat higher than at Quirke Lake and over half a dozen drills are busy on neighboring properties punching down holes for its extensions.

Buckles Algoma is the most advanced in its development adjacent to Algom Uranium (it is up dip to the south). About a half million tons of good grade ore has been indicated here and a 78-ft. shaft was sunk to secure ore for mill test work.

Lake Nordic Uranium secured typical formation and commercial uranium values at over 2,000 ft. depth in its hole down dip of the Algoma Nordic Lake occurrence. Adjoining to the north (but not shown on map) is Stanleigh Uranium whose initial hole is well along toward the 2,800-ft. horizon where the ore-making conglomerates are expected.

To the north of Stanleigh Uranium — and further into the basin —Nasco Cobalt is drilling a hole which is being watched by many operators in the area.

Lake Nordic has been drilling joint boundary holes with both St. Mary's and Milliken Lake.

To the east of Algom's Nordic Lake mine is a section which has been coming in for more interest since the merger of a number of Hirshhorn sponsored companies into Pardee Amalgamated. Pardee secured the former Calder Bousquet group, on which New Jersey Zinc has a deal, and also acquired the next property to the east, the former Aquarius ground drilled earlier by McIntyre Porcupine.

It is now revealed that New Jersey Zinc has cut the favorable uranium-bearing conglomerates in five holes on the Calder group with the radioactive zone averaging 7 to 9 ft. in thickness. No assays are available as yet.

On the Aquarius' property of Pardee, two drills have been put to work to test at greater depth the uranium-bearing zone outlined by McIntyre. Drilling is being done on a two-tier basis to cut the zone at down-dip slope depths of 800 and 1,200 ft. The first hole was collared 1,200 ft. down dip and is now drilling at 1,200 ft.

The other hole was collared at 800 ft. down dip and information is expected on it shortly.

Earlier drilling explored the uranium-bearing conglomerates to a slope dip of 400 ft. and to this horizon indicated approximately 1.5 million tons averaging $10.15 at the $7.25 a lb. price for uranium oxide.

Ore sections in 50% of the holes drilled in the first program indicated leaching at this horizon. It is expected that present drilling will be well below the leached horizon and that this may mean an upward revision in average grade and tonnage.

New Thurbois Drills Outline 1,200 ft. of Ore in No. 2 Zone

With 13 drill holes put down to explore its No. 2 zone for 1,950 ft. length at approximately the 100-ft. horizon, New Thurbois Mines has opened two good grade uranium ore shoots totaling 1,212 ft. Drilling is still encountering pebble conglomerate on the extensions of the zone.

The more westerly of the two shoots outlined by drilling has a length of 637 ft., averaging 0.115% U_3O_8 over an average core length of 6.5 ft. The zone about 320 ft. to the east has a length of 575 ft. averaging 0.117% U_3O_8 over an average core length of 5.6 ft.

Combining the two ore lengths gives an aggregate indicate ore length of 1,212 ft. averaging 0.116% U_3O_8 over an average core length of 6.0 ft.

No. 2 zone is known to extend at least 1,200 ft. beyond present drilling to the company's west boundary while there is 4,400 ft. of untested ground to the east covering the easterly projection.

Drills are working both to east and west on the No. 2 zone while a third drill is cross-sectioning to pick up both No. 2 and No. 3 zones to the east and to test intervening ground.

New Thurbois plans a deeper series of holes, possibly at about the 350-ft. horizon.

Yellowknife Bear Mines was scheduled to start drilling at mid-week and will be cross-sectioning to pick up the New Thurbois zones some 4,500 ft. to the east of the most easterly place No. 2 zone has been tested on New Thurbois ground.

Black Bay Drive Cuts 'Hot' Contact

President Walter J. Blair of Black Bay Uranium reports that the south crosscut from the adit at the company's Beaverlodge property has encountered high radioactivity at the quartzite-mafic contact.

This is 500 ft. down dip from the surface outcrop. Conditions at the contact are stated to bear a marked similarity to where the high grade pitchblende showings were opened up in trenches on surface.

Last week it was reported that high grade pitchblende was being opened in a sub-drift in the downward extension of "B" zone.

The company is now in a position with its headings where all four of the indicated high grade pitchblende zones associated with the quartzite-mafic contact at surface can be opened up fairly quickly.

Manitoba Oil Activity Record

From Our Own Correspondent

WINNIPEG — Exploration activity in Manitoba oilfields has reached a new peak.

Twenty-four drilling crews are working on a round-the-clock basis. It is the highest rate of exploration yet reached in the province — winter or summer.

Greatest activity is in the area of Virden — Manitoba's oil capital. Four wells have been sunk on the 540-acre townsite, and every one is a producer. Drilling for the fifth started Feb. 15 in the northwest corner of the town.

The past week also brought a strike at Tilston in the extreme southwest corner of Manitoba, about 35 miles from the Virden fields.

Extremely cold weather in the past several weeks has hampered drilling crews, with equipment freezing up in the 20-below and lower temperatures.

The high rate of discovery in the town of Virden gave rise to reports that it might be designated as a separate field. Officials of the mines and natural resources Department have now ruled out this possibility.

At the end of 1954 there were 285 wells in the province capable of production, and 269 in production. Output for the year was 2,148,184 bbls. — slightly less than one half the province's domestic consumption.

The rapid growth of the industry is going to receive recognition in legislation to go before the provincial house at its current session.

C. E. Greenlay, minister of mines and natural resources, said that all sections of the Mines Act having to do with oil would be consolidated in a separate section of the Act.

PROSPECTORS MEET

Word has been received that W. J. Bennett, president of Eldorado Mining & Refining and Lester B. Pearson, Minister of Foreign Affairs, will attend the noon luncheon of the Prospectors & Developers Association on Tuesday, March 8, "Uranium Day."

THORNCREST EXPLORATIONS LIMITED

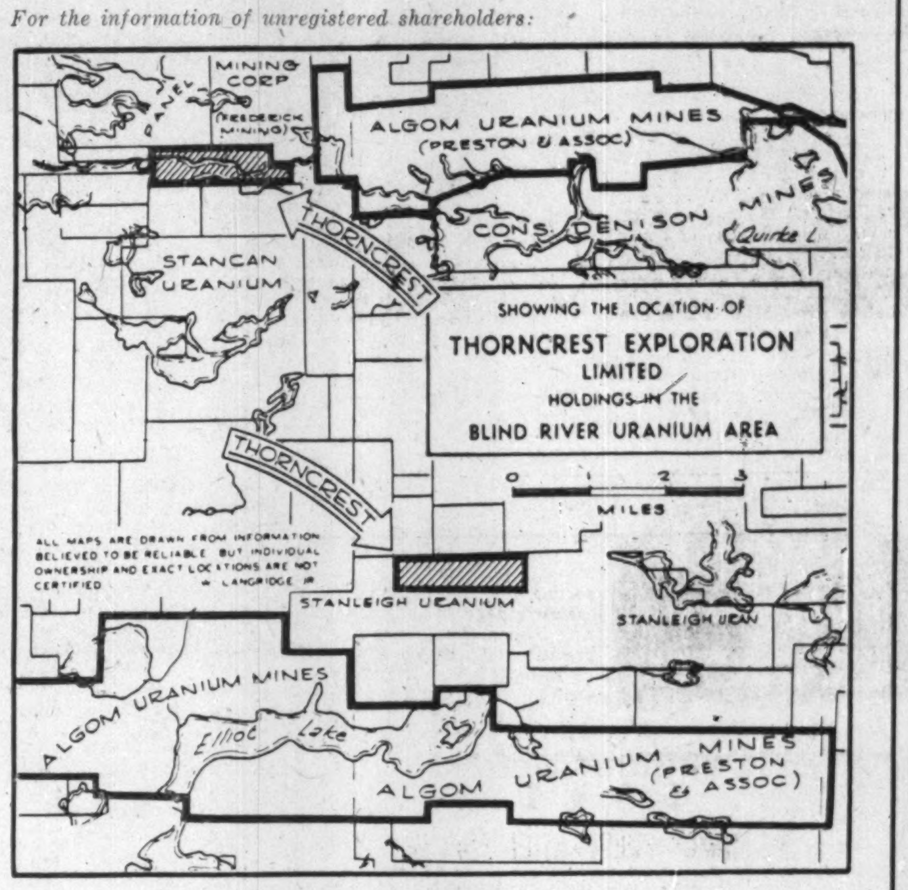
Bought — Sold — Quoted

Information on request.

GEORGE WOODHAMS & CO.

69 YONGE ST., TORONTO EMpire 3-5441

For the information of unregistered shareholders:



PROPERTIES

Thorncrest Explorations Limited, incorporated under the Laws of Ontario in April, 1952, owns two separate groups of claims favourably located in relation to the properties of Algom Uranium Mines Limited on each of which a 3,000 ton mill is to be constructed.

The North group, comprising 13 claims, is located in the north belt of the Algoma uranium-bearing conglomerate beds west of the Algom Quirke Lake property and adjoins properties of Panel Consolidated and Frederick Mining & Development Ltd. on the south. The first diamond drill hole is now being drilled on the adjoining Panel property.

The South group, comprising 14 claims, is located in the middle belt of the Algoma conglomerates north of the Algom Elliot Lake property and adjoins ground being drilled by Stanleigh Uranium Mining Corporation Ltd., a subsidiary of Standard Ore & Alloys Corporation of New York.

CAPITALIZATION

Authorized (Shares of $1.00 each)	3,500,000 shares
Issued (808,000 shares held in escrow)	1,207,509 shares
Remaining in treasury	2,292,491 shares*

*of which 800,000 shares are under option which, if fully exercised, will net the treasury $180,000.

EXPLORATION PROGRAMME

The Company is financed to undertake a preliminary programme of exploration, commencing with a geophysical and geological survey of the North group of claims, preparatory to diamond drilling of the property.

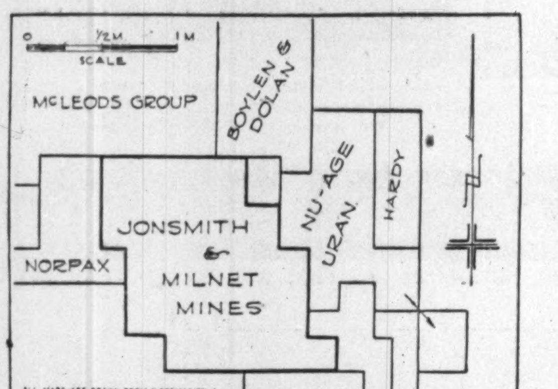
This work will start immediately under the direction of J. R. MacDonald, P.Eng., consulting engineer.

THORNCREST EXPLORATIONS LIMITED

Executive Office: Suite 1407, 320 Bay Street, Toronto, Ontario.

Head Office: Thornhill, Ontario.

For the Information of Shareholders



Wekusko Consolidated property comprises a group of Nickel-Copper claims, neighboring the Jonsmith, who are carrying out a drilling program with three drilling machines in operation. Current reports from the latters drilling indicate a drill hole intersecting 16 feet of ore with good values in copper and nickel.

On Wekusko Consolidated location shown above, a geophysical survey is planned, prior to the preliminary program of mapping, trenching and surface drilling.

An underwriting of 400,000 shares at 10c has been completed by W. D. Latimer & Co. Limited.

Shareholders holding unregistered certificates not in their own name should have their shares registered with the Toronto General Trust Corporation, 253 Bay Street, Toronto, so that they can be sure of receiving all progress reports.

Shares of Wekusko Consolidated Limited are listed on the Toronto Stock Exchange

WEKUSKO CONSOLIDATED LIMITED

Suite 2510 — Bank of Nova Scotia Bldg. — 44 King St. West
Toronto, Ontario

Control of Illinois Zinc May Pass to Javelin Group

MONTREAL (Staff)—Terms of proposed merger between Canadian Javelin Ltd. and Illinois Zinc Co. have been disclosed.

It is proposed that Illinois Zinc will issue 1,061,560 shares of its stock to Canadian Javelin for all that firm's assets. These would then be distributed to Canadian Javelin shareholders at the rate of one share of Illinois Zinc for 2½ shares of Canadian Javelin.

John C. Doyle, chairman of Canadian Javelin, said that under the present plan, steps would be taken to wind up affairs of Canadian Javelin.

It is proposed that Illinois Zinc will become Illinois International Iron and Zinc Corp. which will have a 12-man board, seven of whom will initially represent the Canadian interests. Boon-Strachan Coal Co. of Montreal, would act as operating and sales company in the setup.

Doyle is slated to become chairman of the board of the new company and Morris Blumberg, present chairman of Illinois Zinc, the new president.

Illinois Zinc would also issue 155,000 shares of its stock to Boon-Strachan Coal Co. under the plan which will be presented to shareholders of both companies as soon as a meeting is arranged.

The announcement was made in New York and a Canadian Javelin spokesman confirmed it in Montreal.

According to Newfoundland reports, a subsidiary company of Canadian Javelin has been set up to construct a railway at Wabush Lake to move iron ore from the Javelin deposit in that area to the shipping port at Seven Islands.

Doyle is said to have made application for a charter to have the railway built.

Johnson Drake & Piper, a construction company doing extensive work in Labrador, is reported being considered for the contract to build the 42-mile spur railroad to join the Quebec North Shore & Labrador Railway which is moving iron ore of Iron Ore Co. of Canada to Seven Islands.

It is reported this same company would build a pilot plant, provide open mining equipment, operate the preparation and loading plant on a fee basis for a period of years to be finalized in closing negotiations.

Canadian Javelin's assets include the iron ore deposit at Lake Wabush in Labrador, and the 2,400-sq. mile mining concession area alloted to Javelin last week by Newfoundland & Labrador Corp.

Javelin also owns the Beaver foundry at Joliette, Que., four lump-ore iron-mining companies and some mine properties in Chile; an iron-titanium deposit in the Saguenay district of Quebec.

Illinois Zinc owns several zinc mining and milling properties in New Mexico and Arizona, as well as a zinc-strip rolling mill and zinc sheet mill in Illinois.

COMPANY REPORTS

Mining

VIOLAMAC MINES realized a 1954 net profit of $303,145 or 10.2 cents a share. This was only slightly lower than 1953's $338,937 despite the low level of metal prices prevailing in the initial part of 1954.

Mine operating profit, before taxes, at $474,451 was practically unchanged from $475,846 a year earlier, although tonnage mined was 4,619 tons lower at 22,628 tons.

An optimistic picture is drawn of the future ore prospects for the mine. "Additional new ore may be expected in the main vein on 4, 5 and 7 levels, a new ore shoot may be opening on 9 level, and a parallel vein of commercial grade and width is being developed in the productive section of the mine, all of which do provide grounds for continued optimism as to the mine's future," President V. R. MacMillan reports.

Working capital was at a record of $1,007,140 at the end of 1954.

Camarillo Oils — ViolaMac controlled—has acquired 18 different royalty interests and is participating in developing a block of 659,000 acres in the Grand Prairie region in partnership with Bailey-Selburn, Selbay Exploration, Chamberlain Oil, Trinidad Leaseholds and Compagne Francaise des Petroles. A test well, Chinook Ridge No. 1, is being drilled by Stanolind Oil & Gas Co.

A substantial interest has been retained in Uranium Ridge Mines while control is retained of Glencair Mining Co. with claims immediately south of Gunnar. Lone Bachelor, adjoining ViolaMac in the Slocan, has found ore widths less than at ViolaMac but an ore shoot 270 ft. long of excellent grade has been opened on one level and prospects for opening additional ore are reported favorable.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1954	1953
Production	$1,379,108	$1,427,135
Less: Transport. & treat. costs	192,944	247,135
Operating exps.	614,304	584,739
Oper. profit	571,860	595,241
Add:* Int. & divds.	4,790	1,633
Investment sale	69,366	48,558
Equipment rental	......	600
Less: Depreciation	84,853	98,920
Amortiz. of dev. exp., etc.	1,045	13,561
Taxes	210,476	170,613
Mining cl's. w/o	28,000	......
Outside explor. w/o	18,497	4,021
Net profit & surplus	303,145	338,937
Earned per Share	$0.102	$0.130

CONDENSED CONS. BALANCE SHEET

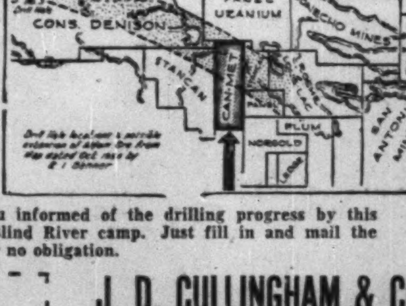
As at Dec. 31:	1954	1953
Cash	$540,518	$379,927
Accounts rec.	18,173	3,803
Mkt. secs.†	150,784	143,233
Notes, at cost	49,056	......
Invest. certs., cost	300,000	......
Smelter settlements o/s, etc.	139,515	105,936
Supplies	22,860	18,356
Total curr. assets	1,220,906	651,260
Prepaid exp.	6,843	6,796
Rec. from sale min. cls.	27,500	27,500
Investments	640,021	538,033
Dep., etc., re power dam	......	8,798
Misc. assets	47,832	27,158
Mining cls.	121,698	114,250
Bldgs., equip., etc.‡	213,976	250,621
Total assets	2,278,776	1,624,316
Accts. pay. & accr.	101,690	99,647
Taxes	112,076	113,004
Total curr. liabs.	213,766	212,651
Capital stock	643,124	293,124
Earned surplus	1,421,886	1,118,741
‡After deprec. of	232,661	150,884
†Mkt. value	157,246	139,731
Working capital	1,007,140	438,609

NOW DRILLING...

CAN-MET EXPLORATIONS LIMITED

Listed on the Toronto Stock Exchange

- Diamond drilling to test the inferred extension of the Cons. Denison uranium-bearing structure on Can-Met's Quirke Lake property has begun, with a second drill slated to start immediately.
- We anticipate plenty of market-moving news from this drilling, in view of Can-Met's excellent location and the favorable geological conditions encountered so far.
- Can-Met Explorations is well-financed, with some $140,000.00 in the treasury for exploration.



We will be pleased to keep you informed of the drilling progress by this potential winner in the "hot" Blind River camp. Just fill in and mail the coupon below. You will be under no obligation.

J. D. Cullingham & Company,
185 Bay St.,
Toronto 1, Ontario.

Please send me full information on Can-Met Explorations and keep me posted on new developments.

Name ....
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Phone ....

F.P.

J. D. CULLINGHAM & CO.

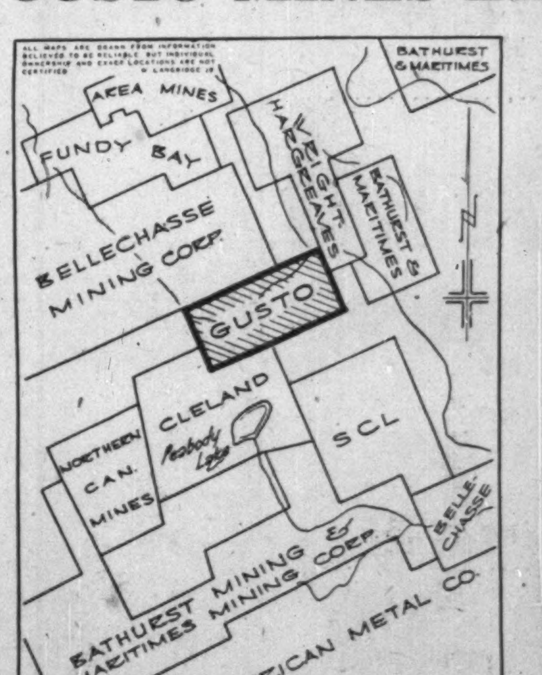
185 Bay St., Toronto 1, Ontario

Phone: EM. 6-6551 Trading: EM. 4-7642

Member: The Broker-Dealers' Association of Ontario

This firm has underwritten 200,000 shares of Can-Met Explorations Limited at 30 cents per share, 200,000 at 40 cents per share and 400,000 shares with options on 600,000 at 50 cents per share and holds options on 400,000 shares at prices ranging from 60 cents to $1.00 per share.

GUSTO MINES LIMITED - *in a Major Base Metal Camp*



- Recent increases in the price of copper raising to an all time high are focussing attention on New Brunswick where orebodies of major importance have been discovered by Brunswick Mining & Smelting and American Metal Company within a few miles of each other.
- A 50,000 foot diamond drilling program is currently in progress at the American metal discovery.
- This intensive activity, in our opinion, warrants your consideration of Gusto Mines Limited whose property is strategically located in this big camp.
- Gusto is currently planning a geophysical survey of its important holding in this area.

We are making at this time a

SPECIAL OFFERING

of shares in

GUSTO MINES LIMITED

at 25c Per Share

For full details on Gusto Mines and Special Offering fill in and mail the coupon below:

TO: E. M. McLean & Co.,
8 Colborne Street,
Toronto, Ontario.

Please send me full details on Gusto Mines Ltd. and Special Offering.

Name ....
Address ....
Phone ....

FP

We act as agents for the underwriter and optionee in the shares of Gusto Mines Limited, which is a speculative security.

LETTER FROM LONDON

By Adelphi

LONDON—The London Stock Market has been jittery for the last few days. For one thing it is never quite sure what Mr. Dulles is going to say next. Then there is the Budget looming ahead and Mr. Butler has indicated that he intends to curb our high spirits.

The threat to raise the bank rate is another check upon investors. As a matter of fact there has been such a long period of rising prices in equities that some kind of a shake-out was inevitable.

There has also been an unholy row over tea. It is difficult for "lesser breeds" to understand what tea is to the English. It is at once a tonic, a symbol, a rite and a consolation. Known as "Elevenses" tea is served at 11 a.m. in countless offices and homes. Then, of course, it is drunk universally between four and five o'clock in the afternoon.

The expression "a nice cup of tea" is spoken on millions of tongues every day. But there has been a storm in the tea cup. Tea prices have been soaring and the British are not only angry but are speaking loud and clear upon the subject.

Even the great Churchill has taken note of the outcry. He does not want a tea cup election and he is wise.

* * *

Tax Easement For Lively Arts?

Chancellor Butler is already receiving deputations on tea and all sorts of other things. There is a particularly vocal drive to make him abolish the entertainment tax on the living theatre and I shall be surprised if he does not make some concession. It is pretty grim when a play that is a failure has to pay out to the Treasury on every ticket.

Butler will say that the tax is no concern of the company that presents a play. The management sets the price for its tickets and the Treasury merely imposes an extra amount upon that price.

That sounds sensible but it does not work out. The fact is that if a stall seat sells for 15 shillings, including entertainment tax, the whole of the money should go to the management because that is the correct price for a first-class show.

But the public will not pay more than 15 shillings, and therefore it is impossible for the management to put up the price to cover the entertainment tax deduction.

The result is that there are fewer theatres in London and the provinces than there have been for 50 years. The Gaiety is a warehouse, the Empire Music Hall is a cinema, the Playhouse is a BC Studio, Irving's great old theatre "The Lyceum" is a dance hall, and now the incomparable St. James's is probably to be turned into an office building.

* * *

Should We Ask What The Formosans Think?

Anthony Eden's problems are even more complicated. What keeps him awake at night is wondering what America and China will say next in the great face-saving war. Neither side can afford to give way, neither side wants to fight, and neither side knows how to end the situation.

Churchill, who is looking more cherubic than ever, told Parliament in answer to a question that he would be quite willing to go to Washington and have a talk with President Eisenhower, but he suggested that it might be a pleasant change if the President came to London.

That great American patriot, historian and humorist Herbert Agar, caused a loud laugh in a London luncheon speech the other day when he said: "We should listen to what the Chinese think about Formosa. We should listen to what the British think about Formosa. We should listen to what the Japanese think about Formosa. In fact I'd go so far as even listen to what the Formosans think."

* * *

Our Row Domestic Claim the French

And now France is kicking up a row. French politicians are saying loud and clear that they are sick of outsiders telling them that they have no sense of responsibility toward civilization. They admit that M. Mendes-France was sound in some things but they claim that he was all wrong in others.

"We must get rid of a prime minister when we feel like it," say the French, "and therefore we are irresponsible. In England and America you get a prime minister or a president and cannot get rid of him until the next duly appointed election—therefore you are sound and wise. We prefer being our own masters and doing things in our own way."

And how does Eden fare with all this on his shoulders? He has not looked so well or vigorous for years. He is a tough bird, this tailored aristocrat of foreign affairs.

* * *

Painting Is Gone, But Churchill Is Present

Naturally you in Canada (like ourselves) want to know when

W. S. McLEESE

newly elected president of the Canadian Refrigeration Manufacturers Association, is manager of the Refrigeration & Air Conditioning Division, John Inglis Co.

Churchill intends to resign. Having watched him recently in action I believe that he has no intention of resigning. My bet is that he will lead the Tories at the next election and that the country will return him to power with an increased majority.

Incidentally there is a growing mystery about Graham Sutherland's famous painting of Churchill. It has not appeared on the walls of No. 10 Downing Street or on the walls of Churchill's country house. One of the best-informed men in London said to me the other day: "I prophesy that the portrait will never be seen again."

I sincerely hope it proves true. If that loutish face and coarse body are all that the artist saw in Churchill then Sutherland ought to go to an oculist or a psychiatrist.

* * *

Irritable Weather — Irritable Act

You may now stop envying us for our weather. A Siberian winter has come upon Great Britain and even London is deep in snow. Villages are cut off, roads are either impassable or impossible, and for the third week end there is no golf.

Just to add to our irritability a depot of bus drivers has gone on strike because a black man has been given a job as a driver. It is a disgraceful act and the newspapers have not hesitated to say so. Meanwhile the flow of colored immigrants from the colonies continues. In other words there is trouble as well as glory in being the heart and centre of a colonial empire.

Incidentally the South Africans are saying very emphatically that they are sick and tired of being nagged by visiting Britishers, especially British clergymen. "Do you want to drive us out of the Commonwealth?" is the new note.

* * *

The Anglican Church at its annual London conference this week discussed Dr. Buchman's Moral Re-Armament Movement. The tone was pretty sardonic but no decision was reached. Quite a number of Buchman's stalwarts arrived in London to bring pressure upon the Anglicans. At least that is what was said at the conference.

* * *

If winter comes can spring be far behind? I wish I knew the answer to that question.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Public Utilities

NORTHERN TELEPHONE CO., New Liskeard, Ont., net profit for 1954 was $224,019, 12.1% higher than previous fiscal year's net of $199,750. Gross revenue increased by $124,511 to $1,956,955.

A net gain of 2,424 for the year brought the number of telephones in use at the year end to 37,812 (35,388 a year earlier). Included in the net gain are between 300 and 400 replacements at Timmins and South Porcupine following settlement of strikes there, reports President F. L. Hutchinson.

No new exchanges were opened. New installations included a new dial exchange at Atikokan, a dial switch board at Steep Rock Iron Mines and new circuits extended to Moose Lake.

Company plans to replace the present Noranda-Rouyn switchboard with a new dial exchange in 1955, involving an $80,000 building and $387,000 for dial equipment. Company sold $130,000 Canada Bonds, which had been held for depreciation, to reduce bank borrowings for capital expenditure. Capital financing, however, will become necessary next year, the president states.

INCOME ACCOUNT

Years ended Dec. 31:	1954	1953
Gross earnings	$1,956,955	$1,832,443
Net earnings	$698,739	625,672
Less: Deprec.	207,671	186,490
Deb interest	22,385	22,200
Deb. disc. & comm.	1,125	1,125
Income tax	243,539	216,107
Net profit	224,019	199,750
Less: Dividends	80,000	80,000
Surplus for year	144,019	119,750
Times Debenture Interest Earned:		
Before deprec.	31.21	28.18
After deprec.	21.94	19.78
Earnings per Share and Dividend Record:		
Earned	$0.22	$0.20
Paid	0.08	0.08

CONDENSED BALANCE SHEET

As at Dec. 31:	1954	1953
Dom. bonds	......	$130,000
Accts., etc., rec.	$136,249	243,064
Inventories	69,660	61,019
Deposits	28,000	......
Debs. redeemed	5,000	......
Total curr. assets	238,909	434,083
Const. in progress	196,941	18,755
Deb. disc., etc.	18,750	19,875
Fixed assets*	2,512,921	2,239,701
Total assets	2,967,521	2,712,414
Due bank	314,328	215,304
Accts., etc., pay.	263,865	246,807
Other curr. liab.	45,017	46,988
Total curr. liab.	623,210	509,099
Def. credits, accr. chgs.	7,350	7,350
Funded debt.	485,000	490,000
Capital stock	1,000,000	1,000,000
Capital surplus	▪80,459	▪78,482
Surplus	771,502	627,483
*After deprec. of	1,902,802	1,785,130
▪Includes $34,564 premium on shares.		
Excess of curr. liabs. over curr. assets	384,301	75,016

Manufacturer, Electricians Launch Wiring Sales Drive

The electrical industry is getting set to make the most of the new home improvement loans under NHA. One manufacturer is plugging his effort into an advertising campaign; electrical contractors are getting together and talking up promotion possibilities at their level.

Triangle Conduit and Cable (Canada) Ltd. will start running consumer ads on "adequate wiring" in Maclean's magazine next month. It's the first Canadian company to try to sell the contractor's service to the public this way.

The Electrical Contractors Association of Ontario at its annual convention this week was scheduling a panel on dollars for contractors out of rewiring under NHA.

Reason why contractors are so hopeful: the U. S. has had FHA loans for home improvement for years, and there it has sparked big volume rewiring.

Big difficulty: convincing the Canadian householder that rewiring is worth the money. When you put in new plumbing fixtures under NHA, you'll be able to see the gleaming white fixtures, and glow with pride of possession. But when the electrician has put new wiring in your walls, you can't see it.

But almost all prewar houses, and 80% of all Canadian homes, are not wired adequately. They are not intended to handle all the appliances now used.

First ad in the series pictures grandpa, mother, father and junior gazing at a TV set with a picture that covers only about a quarter of the screen. "Not enough current" is grandpa's sage verdict.

Other bad results of inadequate wiring — lights that dim when you plug in the electric kettle — fuses that keep blowing out. Abused or inadequate wiring causes 12% of all fires.

Commuter Fare Will Cost More

MONTREAL (Staff) — Railways have been granted approval to hike fares on all commuter lines in Canada, except Toronto, by 50% effective 30 days after announcement of changes by railways. This is expected soon.

The Board of Transport Commissioners in Ottawa last week authorized the increase in Schedule "A" rates. It means the cost of 40-trip tickets, the most common class of commutation ticket, will be increased by about 50%.

Judgment was reserved for further consideration and evidence on the railways' request for a 100% increase.

In Montreal area, some 40,000 commuters in 26 suburban municipalities will be required to pay the increase when it goes into effect. Few other commuter trains operate in Canada.

In Toronto area, the Board increased rates by 50% last year effective not earlier than Sept. 30, 1954; another approximate 25% not earlier than six months from the effective date of the first increase and the final portion not earlier than the expiration of another six months. The first of these increases has been put into effect.

The Board was convinced the revenues derived from the commutation services with schedule "A" rates in effect would not exceed the out-of-pocket costs properly chargeable to commuter service for any of the railways.

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Bonded Space if Desired

TERMINAL WAREHOUSES LIMITED
Ft. of York St. TORONTO EM. 3-3411

CORPORATE CONSTRUCTION NEWS

RE: CUDAHY PACKING COMPANY

The new Cudahy Packing Company plant at Weston is the home of famous Old Dutch Cleanser as well as dishwashing and other cleaning compounds. Old Dutch Cleanser, introduced in 1905, was the first powdered household cleanser to be marketed. It was also the first to use the now standard metal-end sifter can which was designed and made, as it still is, by the Cudahy Packing Company.

GENERAL CONTRACTOR: J. W. Hewitt & Sons
HEATING CONTRACTOR: D. M. Smith & Company
OILBURNER: One AR 144 No. 7 RAY fully automatic, developing 225 Boiler Horsepower.

RAY OILBURNERS by MARTIN BROTHERS
2709 YONGE ST. TORONTO 12, MA. 0733

Exercise your

SHAWINIGAN RIGHTS

without delay!

"Rights" of shareholders to buy additional shares of the Shawinigan Water and Power Company at $46 per share expire February 28.

Not only is Shawinigan one of the world's largest producers of hydro-electric power but also it occupies a position of great and growing importance in this country's chemical industry. Potentialities of the company for future development are regarded as excellent.

For these reasons we recommend that shareholders take full advantage of their "Rights". Complete information regarding Shawinigan is now available on request. We invite you to make use of the facilities of any of our offices.

W. C. Pitfield & Company, Limited

44 King Street W. TORONTO Telephone EM. 3-6144

Montreal Halifax Moncton Saint John Ottawa Cornwall Winnipeg Calgary Vancouver Victoria New York

BURROUGHS SENSIMATIC

accounting machines are saving time and money for these well known Canadian firms

Harding Yarns

Harding Yarns of Guelph, Ontario, noted division of Harding Carpets, Limited, says, "Our operators find the Burroughs Machines simple and easy to run, and the Sensimatic is so flexible that it does a monthly analysis of sales for us, complete postings of accounts receivable and accounts payable ledgers, and our check distribution."

Knechtel Homewood Furniture — Knechtels Limited, Hanover, Ontario

Knechtels Limited of Hanover, Ontario, maker of quality furniture for over 90 years, uses the Burroughs Sensimatic in posting accounts receivable and accounts payable and reports, "We find the Sensimatic speedy and flexible and are highly pleased with the efficient job it is doing for us."

EDWARDS OF CANADA LIMITED OWEN SOUND, ONT.

Edwards of Canada, Limited, well-known manufacturer of electric signaling, communication, and protection equipment, says, "We are thoroughly satisfied with the results we are obtaining in the use of Burroughs Sensimatic on payroll, job costing, accounts receivable and sales distribution."

FEDERAL
WIRE AND CABLE COMPANY LIMITED, GUELPH, ONT.

Federal Wire and Cable Company, Limited, prominent manufacturer of electrical conductors, uses Burroughs Sensimatics for efficient handling of inventory records, current order positions, accounts receivable, accounts payable, cash book, payrolls and sales analysis. "Most certainly we must say the Sensimatic has our enthusiastic endorsement."

Many of the world's leading businesses have found how Burroughs Sensimatics save more time and money by handling several complex operations quickly with one brilliantly engineered machine. Thanks to the Burroughs exclusive sensing panel, you can put this machine to work on virtually any accounting job. And thanks to its ease of operation, even a beginner can quickly become an expert. Isn't it logical that any accounting machine that saves so much would be a big asset to you? To get the full story on Sensimatics, call your local Burroughs office, or write Burroughs Adding Machine of Canada, Limited, Windsor, Ontario.

WHEREVER THERE'S BUSINESS THERE'S Burroughs

NEW RF-230 60,000 lbs. GVW six-wheeler, one of 25 six-wheel models—all with new maintenance reducing, extra rugged steel-bushed bogie.

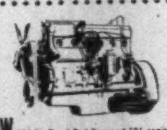
NEW increased power now available in all International truck engines.

NEW light duty optional features include tubeless tires and automatic transmission.

NEW multi-stop models (RM160) with METRO bodies — 14,000 to 16,000 lbs. GVW. Ten Metro and Metroette models. METRO-Matic transmission available.

International

NEW Cab-over-engine models—3 series, 12 models from 21,000 to 30,000 lbs. GVW—50,000 to 65,000 lbs. GCW.



NEW 201 hp Royal Red Diamond 501 engine standard in R220 and RF230 series models.

PLUS 19 diesel engines for 30 models. The INTERNATIONAL line of 185 basic models offers widest choice of power—gasoline, LPG and diesel.

PLUS four-wheel-drive models, of 11,000 and 15,000 lbs. GVW — built for lowest cost operation in roughest, toughest terrain.

...new models ...new features

INTERNATIONAL *continually* brings you great new truck features, new truck models, plus new value for your truck dollar. International follows this policy to give you right *now* the new developments that will help you do your hauling jobs better, cut your costs and boost your profits. Before you invest in another truck, check all the new developments shown here—then let your International Dealer or Branch give you *all* the reasons why International is Canada's best truck buy.

INTERNATIONAL HARVESTER COMPANY OF CANADA LIMITED, HAMILTON, ONTARIO